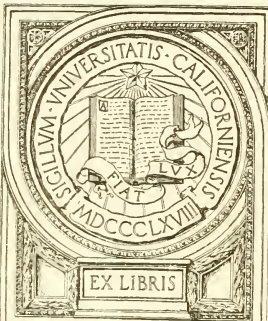


Old Colony Trust Company

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ANALYSES OF THE RAILROAD CORPORATIONS

WHOSE BONDS ARE A LEGAL
INVESTMENT FOR MASSACHUSETTS
SAVINGS BANKS

Including a History of Each Corporation,
Comparative Capitalization,
Earnings and Traffic Statistics,
a Description of the Bonds Issued,
Assumed, or Guaranteed by Each, the
Range of Prices During the Years
1903 to 1912 inclusive, and the States
of New England in which the Bonds
Are Considered a Legal Investment
For Savings Banks

PRIVATELY PRINTED

Old Colony Trust Company

BOSTON, MASSACHUSETTS

COURT STREET • • TEMPLE PLACE

1913

54979
1940

Q. 10
10/10/40
10/10/40

*THE information contained herein is not guaranteed,
but has been taken from sources which we believe to
be reliable. It has all been gathered and compiled in
our office, and every effort has been made to avoid
inaccuracies.*

OLD COLONY TRUST COMPANY

CONTENTS

	PAGE
ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY	9
BALTIMORE & OHIO RAILROAD COMPANY	35
BANGOR & AROOSTOOK RAILROAD COMPANY	71
BOSTON & MAINE RAILROAD COMPANY	89
BOSTON, REVERE BEACH & LYNN RAILROAD COMPANY	121
CENTRAL RAILROAD COMPANY OF NEW JERSEY	131
CHICAGO & NORTHWESTERN RAILWAY COMPANY	147
CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY	179
CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY	201
CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY COMPANY	227
DELAWARE & HUDSON COMPANY	243
DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY	263
GREAT NORTHERN RAILWAY COMPANY	281
ILLINOIS CENTRAL RAILROAD COMPANY	303
LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY	337
LOUISVILLE & NASHVILLE RAILROAD COMPANY	373
MAINE CENTRAL RAILROAD COMPANY	415
MICHIGAN CENTRAL RAILROAD COMPANY	443
NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY	465
THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD COMPANY	515
NORTHERN PACIFIC RAILWAY COMPANY	565
PENNSYLVANIA RAILROAD COMPANY	589
ROCK ISLAND SYSTEM	655
<hr/>	
INDEX TO BOND DESCRIPTIONS	687

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY

ATCHISON, TOPEKA & SANTA FE RAILWAY COMPANY

HISTORY

The Atchison, Topeka & Santa Fe Railway Company, once the largest single railway in the world, has developed, under splendid management, into one of the leading systems in the West, and still ranks among the ten greatest railroads in the United States. The original company was chartered in Kansas in February, 1859, and its main line was completed by 1873. The old Atchison, Topeka & Santa Fe Railroad Company commenced business at a most unfortunate time, and suffered severely in the depression following the business crisis of 1873.

Recovering from the effects of these earlier years, the company began an expansion period in which over three thousand miles of new road were constructed, and control over three thousand five hundred miles of other roads was obtained. This was during the decade beginning in 1880. By 1890, with its lease of the St. Louis & San Francisco Railroad, and the Colorado Midland Railroad Companies, it was operating over nine thousand miles — more than any other railroad in the world.

The business depression of 1893 forced the Atchison, along with many other roads, into bankruptcy, and it was shorn of a considerable part of its mileage. From the ruins of the old railroad rose the new Atchison, Topeka & Santa Fe Railway Company, chartered under the laws of Kansas in December, 1895.

The new company absorbed various minor corporations from time to time, so that by 1912 it owned a total of 10,550 miles of main track, which, with over 700 miles of road separately operated and recently constructed, brought the total mileage of the Atchison System up to over 11,250 miles. It owns practically the entire capital stocks of the Cane Belt Railroad; Eastern Railway of New Mexico; Gulf, Beaumont & Great Northern Railway; Gulf, Beaumont & Kansas City Railway; Gulf, Colorado & Santa Fe Railway; Rio Grande & El Paso Railroad; Santa Fe, Prescott & Phoenix Railway; Southern Kansas Railway of Texas; Texas & Gulf Railway; Concho, San Saba & Llano Valley Railroad; and, through the Eastern Railway of New Mexico, the stocks of the Pecos River Railroad and the Pecos & Northern Texas Railway Companies. The above properties are operated as an integral part of the Atchison System and their figures are included in the following tables of this analysis.

Besides this, the Atchison controls the entire stock of the Beaumont Wharf & Terminal Company; 98% of the capital stock and the entire bond issues of the Garden City, Gulf & Northern Railway Company; 99% of the stock of the Grand Canyon Railway Company, and, jointly with the St. Louis & San Francisco Railroad Company, the stock of the Kansas Southwestern Railroad Company. Also, jointly with the Southern Pacific Company, the Atchison owns the capital stock of the Northwestern Pacific Railroad, the Sunset Railroad, and the Sunset Western Railway Companies. The last-named properties are operated under their own organizations, the Atchison's interest appearing on its income sheet in the form of interest and dividends on the securities owned.

In December, 1911, the California, Arizona & Santa Fe Railway Company was incorporated in the interests of the Atchison, Topeka & Santa Fe Railway Company, and took over a group of small companies, aggregating 834 miles, that had been operated by the Atchison under a lease from the Southern Pacific Company. The California, Arizona & Santa Fe Railway Company has issued capital stock of \$50,000,000, of which all but the directors' shares are owned by the Atchison, Topeka & Santa Fe Railway Company. The new company has issued also \$18,299,695 First and Refunding 4½% Fifty-year Gold Bonds dated March 1, 1912. These have been used to retire a like

amount of underlying bonds of the subsidiary companies taken over, that were not in the hands of the public. These bonds are an obligation of the Atchison, Topeka & Santa Fe Railway Company.

During 1911 the Santa Fe Dock & Channel Company was organized to take over and operate the dock facilities at Port Bolivar, Texas. These properties were formerly owned by the Gulf & Interstate Railway Company of Texas. Terminal facilities in San Francisco are supplied by the Santa Fe Terminal Company of California, all of whose capital stock, except directors' shares, is owned by the Atchison, Topeka & Santa Fe Railway Company. These terminals comprise nearly one hundred acres, fifty-two of which are on the water front and have a total water frontage of 3,800 feet.

In recent years, and especially since 1907, the Atchison has laid out enormous sums of money in new construction, reducing grades, eliminating curves and double tracking. Along with work of this nature has gone a continuous expansion of existing lines; extensions which should prove valuable feeders in the future. Just what all this means in actual dollars can be seen when one considers that during the six years ending 1912 the Atchison spent out of earnings approximately \$181,000,000 for the maintenance of its existing tracks and equipment. During the same period over \$117,000,000 was expended for additions and betterments to property and for new construction.

PROPERTY

On June 30, 1912, the lines of the Atchison System, whose operations are embraced in the following statements, were as follows:

	1912	1911
Atchison, Topeka & Santa Fe Railway	8,200.86	7,549.69 miles
Rio Grande & El Paso Railroad	20.21	20.21
Gulf, Colorado & Santa Fe Railway	1,596.06	1,537.48
Eastern Railway of New Mexico	—	225.21
Pecos & Northern Texas Railway	478.67	296.12
Pecos River Railroad	54.24	54.24
Santa Fe, Prescott & Phoenix Railway	—	364.24
Southern Kansas Railway of Texas	124.92	124.92
Texas & Gulf Railway	125.80	96.14
Gulf & Interstate Railway of Texas	71.97	71.97
Concho, San Saba & Llano Valley Railroad	60.15	60.15
Total mileage of the system (main track)	10,732.88	10,400.37

The increase in mileage during the year was 332.51 miles. The average miles operated in 1912 were 10,627.92, an increase of 277.79 miles over the average mileage operated during the preceding fiscal year. The entire mileage is standard gauge and laid with steel rails ranging in weight from 56 to 90 pounds to the yard. The total extra main track operated on June 30, 1912, was 826.66 miles. Sidings, etc., amounted to over 3,600 miles.

The system extends from Chicago, through Kansas City to Denver, and southerly and westerly through Santa Fe and Albuquerque, New Mexico, across Arizona to Los Angeles and San Francisco. From Albuquerque there are important branches extending into Texas; one to El Paso, one to Pecos, and one to Galveston and Houston. This latter line parallels the Southern Pacific throughout practically its entire length. There is a network of Atchison lines in Kansas which feed an important through line from Kansas City to Galveston. A branch tapping the Beaumont oil fields runs from Port Bolivar (Galveston Bay) to Longview, Texas, and Oakdale, Louisiana, the latter being less than two hundred miles from New Orleans.

The states which the Atchison serves include Illinois, Missouri, Kansas, Colorado, Oklahoma, Texas, New Mexico, Arizona and California. The population of the above in 1900 was 15,188,000. In 1910 it had increased to nearly 20,000,000.

CAPITALIZATION

The capitalization of the Atchison System, as of June 30, 1912, was as follows:

Capital stock:	
Common	\$170,129,500
Preferred	114,173,730
Total capital stock	\$284,303,230
Funded debt outstanding	342,645,015
Gross capitalization	\$626,948,245
Securities owned	11,655,624
Net capitalization	\$615,292,621
Net capital per mile operated	\$57,892
Average miles operated	10,627.92
Net income to net capital	6.3%
Fixed charges to net income	49.6%
Margin of safety	50.4%

There are no rental obligations save nominal ones for certain terminal rights, almost the entire system being directly owned.

The total capital stock outstanding per mile in 1912 was \$26,749. The policy of the Atchison has been to finance its extensions and property betterments through the sale of convertible bonds. To cover these outstanding convertible bonds, the company has an authorized common stock capital of \$350,000,000, of which but \$170,129,500 was outstanding June 30, 1912. The total preferred stock authorized was \$131,486,000, of which \$114,173,730 was outstanding as above. In October, 1911, the stockholders of the company granted the directors the authority to sell the unissued balance of this preferred stock.

Of the total funded debt outstanding June 30, 1912, \$78,560,000 were represented by convertible bonds and \$201,980,500 by the General Mortgage and Adjustment Mortgage bonds of 1995. \$17,000,000 of the total were the Transcontinental Short Line, First Mortgage 4s of 1958, and the balance were issues of subsidiary roads. The total bonds outstanding per mile amounted to \$32,239. The proportion of funded debt to the total capitalization in 1912 was 54%.

In the decade ending 1912 the total capitalization of the system rose from \$444,000,000 to approximately \$627,000,000 — an increase of \$183,000,000. Since 1908 there have been large increases in capital stock. In 1909, \$18,603,000; in 1910, \$43,959,000; in 1911, \$2,912,000; and for the year ending June 30, 1912, \$1,699,000 of common stock was issued to retire convertible bonds.

These large capital increases should cause no apprehension on the part of stockholders or security holders while gross earnings continue to increase as they have in the past. The road has undergone a process of expansion, not only in mileage operated, but in volume of traffic carried; and the growth of business has been more than sufficient to justify the capital expenditures made. A glance at the statistics at the end of this analysis will show that the average miles operated increased from 7,341 in 1900 to 10,628 in 1912. Gross earnings increased from \$6,297 per mile in 1900 to \$10,139 per mile in 1912. The most significant increase, however, is in the ratio of gross earnings to gross capital. This ratio in 1900 was 11.4% and in 1912 17.3%, or 5.8% better.

On October 26, 1911, the stockholders of the Atchison authorized the Board of Directors to create at any time an issue or issues of convertible bonds, the total not to exceed \$100,289,000. To cover this liability the authorized common stock of the company was increased \$100,000,000, to \$350,000,000. Following is a comparison of the average net capitalization per mile of the Atchison for

the decade ending 1912, with the Northern Pacific and the Chicago, Burlington & Quincy, two other big crop-carrying systems:

	Net capital per mile	Net income to net capital
Atchison	\$56,020	6.1%
Northern Pacific	68,208	8.4
Burlington	30,670	9.1

During the period in question the Atchison's ratio of net income to net capital dropped below 6% but twice—in 1905 and 1908, when 5.0% and 5.7% were reported. This fact speaks impressively for the stability of earnings of the system, and especially of the ability of its earnings to keep pace with the increases in capitalization.

The Atchison's fixed charges in 1912 utilized 49.6% of its total net income, leaving a factor of safety in earnings of 50.4%; that is, of every \$100 of income available for fixed charges, \$49.60 was thus spent. The Burlington figures for 1912 show that it spent \$50 of every \$100 of income available for fixed charges, while the Northern Pacific spent but \$35.70.

CHARACTER OF TRAFFIC

In the early years of the reorganized company, its prosperity depended to a very great extent upon agricultural products. It will be seen by an examination of the table below that the ratios of farm and animal products to total freight have declined, while those of mines, forests and manufactures have shown considerable increases.

Products of	1896	1906	1908	1909	1910	1911	1912
Agriculture	30.7%	24.3%	22.8%	23.1%	20.7%	22.3%	22.9%
Animals	12.4	7.8	7.9	8.2	7.1	7.7	7.3
Mines	26.5	31.2	32.0	28.3	29.3	28.3	30.9
Forests	9.4	13.2	12.4	13.7	12.1	11.1	10.2
Merchandise	21.0	23.5	24.9	26.7	30.8	30.6	29.4
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

The total tonnage of the system in 1896 was 7,718,598. In 1912 the total revenue tons moved were 21,149,984, of which the largest item, 6,546,940 tons, represented the products of mines. This latter figure was within 1,172,000 tons of the total tonnage of 1896. The 1912 total compares with 20,093,719 tons carried in 1911—a gain of 1,056,265 tons, or 5.2%.

About two-thirds of the company's business is freight. Following are some of the more important freight statistics for the six years ending 1912:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	737,913	365	\$65,500,309	\$.0096
1908	691,927	366	61,848,638	.0095
1909	639,119	366	64,212,638	.0103
1910	707,230	389	71,194,055	.0102
1911	674,538	400	71,787,200	.0103
1912	655,882	400	71,529,574	.0103

Freight density shows a tendency to decline, but not by reason of declining traffic. The cause lies rather in the fact that within the period mileage increased faster than freight traffic. Tonnage in 1907 was 16,979,395; in 1912, 21,149,984, and in every year but one since 1907 a gain was recorded. The marked advance in train load tons, from 365 in 1907 to 400 in 1912, clearly demonstrates increasing operating efficiency.

It will be seen that freight earnings have increased \$6,000,000 since 1907, a gain of 9.2%, while the rate per ton per mile advanced from \$.0096 in 1907 to \$.0103 in 1912.

The passenger business of the system represents over 25% of the total and is proving of growing importance as a revenue producer. Passenger earnings of the system since June 1, 1897, the first complete year after the reorganization, have increased nearly 379%. For the fiscal year 1897 they were but \$5,574,288, while in 1912 the company reported passenger earnings of \$27,453,525.

Following are some of the important passenger statistics of the system since, and including, 1907:

Year	Passenger density	Passenger earnings	Average rate per passenger per mile
1907	104,567	\$21,171,629	\$.0218
1908	109,270	21,643,427	.0210
1909	113,129	22,734,505	.0205
1910	124,746	25,437,181	.0206
1911	122,616	27,204,867	.0214
1912	119,889	27,453,525	.0215

Passenger receipts have risen \$6,300,000 in six years, the most substantial gains being reported in 1910 and 1911. The number of passengers carried in 1909 was 12,605,697. In 1910 this increased to 13,675,343, a gain of over 1,000,000; in 1911 the figure was 14,101,076, an increase of 425,000; and in 1912, 14,042,522. During the fiscal year of 1911 passenger earnings increased \$1,767,784, a gain of 7%. This gain was helped by an increase of nearly one mill in the average rate per passenger per mile. In 1912 the Atchison practically paralleled its record passenger business of 1911.

EARNINGS

The wonderful expansion of freight and passenger business in the fifteen years ending 1912 was reflected in gross earnings, which gained 250% during the period. In 1897 the system reported gross earnings of \$30,621,230. In the decade ending 1907 this figure rose to \$93,683,407, while for the fiscal year of 1912 gross earnings were \$107,752,360. In but one year of the fifteen (1908) was there a decline. The average miles operated in 1897 were 6,444, while for the fiscal year of 1912 the system's mileage averaged 10,628, a gain of nearly 4,200 miles. Following are the gross and net earnings of the Atchison for the six fiscal years ending 1912:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907	9,273	\$93,683,407	\$10,103	\$34,815,506	\$3,756	62.84%
1908	9,415	90,617,796	9,624	29,793,833	3,209	67.12
1909	9,795	94,265,717	9,623	36,770,522	3,754	60.99
1910	9,916	104,993,195	10,588	35,231,375	3,554	66.44
1911	10,350	107,565,116	10,393	36,796,864	3,556	65.79
1912	10,628	107,752,360	10,139	36,479,157	3,433	66.13

MAINTENANCE

The following amounts have been spent for maintenance of way and equipment since 1907:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$15,286,062	\$11,779,846	\$27,065,908	\$2.918
1908	14,120,828	14,246,621	28,367,449	3.013
1909	12,884,406	13,903,897	26,788,303	2.734
1910	17,807,136	15,560,047	33,367,183	3.365
1911	16,059,786	16,686,145	32,745,931	3.164
1912	16,076,834	16,521,231	32,598,065	3.067

That a most liberal policy has been carried out by the management in regard to its maintenance charges, is attested by the fact that during the six years ending 1912 the Atchison put nearly \$181,000,000 of its earnings back into its property. This is an average of \$30,000,000 annually, or over \$3,000 per mile.

The Northern Pacific, in 1912, put but \$2,500 a mile into upkeep of tracks and equipment, while the Burlington spent \$3,068, or as much as the Atchison did, though the Burlington traffic density was over 195,000 greater, implying thereby more wear and tear upon its property.

ADDITIONS AND BETTERMENTS

Besides the above charges to maintenance, the company has made a total expenditure in the six years, 1907 to 1912 inclusive, of \$117,677,433 for additions and betterments, construction and other capital purposes, as follows:

Year	Betterments	Construction	Total expenditures
1907	\$9,383,159	\$6,090,416	\$15,473,575
1908	19,534,571	2,925,437	22,460,008
1909	4,018,930	896,743	4,915,673
1910	23,777,754	7,140,667	30,918,421
1911	25,866,624	5,700,110	31,566,734
1912	10,276,984	2,066,038	12,343,022
			<hr/> \$117,677,433

Out of earnings the company wrote off, in 1907, \$9,600,000 for improvements, and \$340,000 in 1908. The income sheet shows an appropriation for betterments of \$9,000,000 in 1909; \$4,000,000 in 1910; \$5,000,000 in 1911 and \$3,300,000 in 1912.

During the period (1907 to 1912 inclusive) the Northern Pacific spent nearly \$109,000,000 for additions and betterments, the Burlington \$52,000,000 and the Chicago & Northwestern \$97,000,000.

DIVIDENDS

Dividends were first paid on the common stock in 1901 at the rate of $3\frac{1}{2}\%$ per annum. From 1902 to 1906, 4% was paid; in 1907 and 1908, $5\frac{1}{2}\%$; in 1909, 5%; in 1910, 1911, and 1912, 6%. Since 1900, 5% has been regularly paid on the preferred stock outstanding.

On the balance sheet of the Atchison, as of June 30, 1912, there appears a Profit and Loss account of \$20,470,115, which, with an appropriated surplus of \$21,580,921, makes a total of \$42,051,036. This is equivalent to 14.8% of the total outstanding capital stock.

STATISTICS

On the following page are the capitalization, earnings and traffic statistics of the Atchison, Topeka & Santa Fe Railway, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Fiscal year	Preferred stock	Common stock	Funded debt	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$15,556	\$13,894	\$25,642	\$55,092	\$446	\$54,646	7,341	82
1905	13,751	12,292	29,648	55,691	754	54,937	8,305	178
1906	13,540	12,094	32,663	58,297	976	57,321	8,434	309
1907	12,312	11,103	30,645	54,060	722	53,338	9,273	363
1908	12,127	10,935	33,305	56,567	802	55,765	9,415	433
1909	11,656	12,410	31,773	55,839	861	54,978	9,795	517
1910	11,514	16,692	30,456	58,662	1,283	57,379	9,916	552
1911	11,031	16,273	31,797	59,101	1,098	58,003	10,350	712
1912	10,742	16,007	32,239	58,988	1,096	57,892	10,628	826

Fiscal year	Gross operating revenue	Maintenance Way Equipment	Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
1900	\$6,297	\$865 \$717	\$2,166	\$2,549	\$36	\$2,585	\$1,258	\$1,327
1905	8,233	1,371 1,314	2,795	2,753	98	2,851	1,436	1,415
1906	9,253	1,479 1,271	3,000	3,503	159	3,662	1,560	2,102
1907	10,103	1,648 1,270	3,429	3,756	81	3,837	1,553	2,284
1908	9,624	1,500 1,513	3,402	3,209	71	3,280	1,783	1,497
1909	9,623	1,315 1,419	3,135	3,754	118	3,872	1,787	2,085
1910	10,588	1,796 1,569	3,670	3,554	257	3,811	1,750	2,061
1911	10,393	1,552 1,612	3,673	3,556	213	3,769	1,703	2,066
1912	10,139	1,513 1,554	3,639	3,433	241	3,674	1,824	1,850

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
	Preferred	Common								Preferred Common
1900	\$427	.....	\$900	59.53%	25.1%	34.4%	20.0%	11.4%	4.7%	8.5% 6.4%
1905	687	\$491 \$169	68	66.57	32.6	34.1	17.5	14.7	5.0	10.3 5.9
1906	677	483 559	383	62.14	29.7	32.6	17.0	15.9	6.1	15.5 11.8
1907	615	609 1,056	4	62.84	28.0	33.9	15.5	18.7	7.0	18.5 15.0
1908	606	601 45	245	67.12	31.3	35.4	18.6	17.0	5.7	12.3 8.1
1909	582	526 935	42	60.99	28.4	32.6	18.6	17.2	7.0	17.9 12.1
1910	575	973 474	39	66.44	31.8	34.6	16.3	18.1	6.2	17.8 8.1
1911	551	959 523	33	65.79	30.4	35.3	16.4	17.5	6.1	18.8 9.4
1912	537	956 348	9	66.13	30.2	35.9	17.9	17.2	6.3	17.3 8.2

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile	Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile	Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way Equipment			Per passenger Per ton				
1900	\$1.82	\$2.51 \$2.04	\$6.27	.738	\$0.9236 \$0.0098	470,558	221	73%	29,395
1905	2.19	.365 .350	.745	.730	.0216 .0010	569,668	281	69	40,192
1906	2.26	.361 .310	.752	.837	.0213 .0094	692,604	392	70	45,346
1907	2.43	.397 .306	.826	.901	.0218 .0096	737,913	365	70	51,126
1908	2.38	.370 .374	.840	.796	.0210 .0095	691,927	366	68	56,593
1909	2.52	.345 .372	.821	.982	.0205 .0103	639,119	366	68	56,172
1910	2.47	.417 .366	.857	.830	.0206 .0102	707,230	389	67	59,651
1911	2.52	.375 .390	.889	.866	.0214 .0103	674,538	400	68	66,124
1912	2.50	.374 .384	.899	.843	.0215 .0103	655,882	400	66	65,400

7,177 miles are covered directly by the General Mortgage.
1,392 miles are covered through collateral by the General Mortgage.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Atchison, Topeka & Santa Fe Railway System, together with the bases upon which they have sold during the decade ending December 31, 1912:

ATCHISON, TOPEKA & SANTA FE RAILWAY

General Mortgage Gold 4s

Dated December 12, 1895

Maturing October 1, 1995

Interest payable April 1 and October 1 at 5 Nassau Street, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal, or fully registerable.

Registered bonds of \$1,000 and multiples.

Authorized \$165,490,500

Outstanding \$150,634,500

Per mile 17,580

Provisions of issue: Of the total amount authorized, \$150,634,500 are outstanding as above, \$1,928,000 are held in the treasury of the company, \$1,852,100 are reserved for extensions and improvements, and the balance are reserved to retire certain bond issues of the company.

Security: The above bonds are secured by a direct mortgage, or by collateral trust, on 8,568.99 miles of road, terminals, equipment and all appurtenances. They are secured by a first mortgage on 5,203.71 miles; in effect, by a first mortgage on 1,392.08 miles of road through the deposit with the trustee of all the bonds and capital stock issued by the corporations operating the same. They are further secured by a second mortgage on 1,884.57 miles of road covered by the first liens of the Chicago & St. Louis First 6s of 1915, Chicago, Santa Fe & California First 5s of 1937, the Hutchinson & Southern First 5s of 1928, the San Francisco & San Joaquin Valley First 5s of 1940, the Atchison, Topeka & Santa Fe-East Oklahoma Division First 4s of 1928, and the Transcontinental Short Line First 4s of 1958. They are secured by a third mortgage on 89.01 miles, covered by the first mortgage of the Chicago & St. Louis First 6s and, in addition, by stocks and bonds of a par value of \$31,635,597, deposited with the trustee.

Equity: These bonds are prior in lien to the Atchison, Topeka & Santa Fe Adjustment Mortgage Gold 4s of 1995.

Trustee: Union Trust Company, New York.

These bonds sold in 1902 on a 3.77 to 4.00 basis

1903	3.87	4.10
1904	3.85	4.05
1905	3.80	3.95
1906	3.82	4.00
1907	3.90	4.50
1908	3.92	4.20
1909	3.90	4.02
1910	3.95	4.10
1911	4.02	4.15
1912	4.00	4.15

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Adjustment Mortgage Gold 4s

Dated December 12, 1895

Maturing July 1, 1995

Interest originally payable annually on November 1 at 5 Nassau Street, New York. Interest is now payable semi-annually, May 1 and November 1, upon complying with the terms of an agreement dated September 14, 1899.

Up to July 1, 1900, interest was non-cumulative and payable, if earned;
since July 1, 1900, interest is cumulative.

Coupon bonds of \$500 and \$1,000, registerable as to principal, or fully registerable.
Registered bonds of \$1,000 and multiples.

Authorized \$71,728,000

Outstanding \$51,346,000
Per mile 5,992

Provisions of issue: Of the total amount authorized, \$51,346,000 are outstanding, as above; \$382,000 are held in the treasury of the company, and the balance, \$20,000,000, are issuable at the rate of not more than \$2,000,000 per annum for construction, improvements and betterments, but only with the consent of a majority of the holders of the outstanding bonds.

Security: The above bonds are secured by direct mortgage, or by collateral trust, on the same 8,568.99 miles of road, and other property subject to the lien of the General Mortgage Gold 4s of 1995, to which this is a junior issue.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 4.10 to 4.70 basis

1903	4.30	4.70
1904	4.15	4.60
1905	4.05	4.30
1906	4.10	4.40
1907	4.30	5.20
1908	4.20	4.70
1909	4.20	4.35
1910	4.20	4.55
1911	4.35	4.45
1912	4.35	4.60

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Transcontinental Short Line Gold 4s

Dated July 1, 1908

Maturing July 1, 1958

Interest payable January 1 and July 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$30,000,000

Outstanding \$17,000,000

Per mile . . . 20,310

Provisions of issue: Of the total amount authorized, \$17,000,000 are outstanding as above, and the balance, \$13,000,000, have been reserved for future improvements, acquisitions, or extensions at not exceeding \$25,000 per mile.

Security: These bonds are secured by a direct mortgage, or by collateral trust, on 837.11 miles of road and all appurtenances. They are secured by a first mortgage on 486.75 miles, and, in effect, a first mortgage on 350.36 miles through the deposit with the trustee of all the bonds and stocks of the corporations operating the above mileage.

The above bonds are a joint obligation of the Atchison, Topeka & Santa Fe Railway Company and the Eastern Railway Company of New Mexico, whose capital stock is entirely owned by the former.

Equity: These bonds are prior in lien to the General Mortgage Gold 4s of 1905 and the Adjustment Mortgage Gold 4s of 1905.

Redemption: These bonds are redeemable at 110 and interest, upon any interest date, upon 90 days' notice.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1908 on a 4.12 to 4.25 basis

1909	4.20	4.30
1910	4.25	4.40
1911	4.27	4.37
1912	4.30	4.37

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Rhode Island.

February 1, 1912, the Atchison, Topeka and Santa Fe Railway Company acquired the road and equipment of the Eastern Railway Company of New Mexico, and the property will hereafter be operated by the former in its name.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Serial Debenture Gold 4s

Series "A" to "L"

Dated February 1, 1902

Maturing February 1, 1913/1914

Interest payable February 1 and August 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and multiples.

Coupon and registered bonds interchangeable.

Issued \$30,000,000

Outstanding \$2,978,000

Provisions of issue: The above issue originally consisted of twelve series of \$2,500,000 each. Series "A" to "J" have been retired, leaving outstanding Series "K" and "L," amounting to \$2,978,000.

Security: These bonds are a direct obligation of the Atchison, Topeka & Santa Fe Railway Company, but are not secured by a mortgage. The company agrees in its indenture "that it will not execute a new mortgage on any of its lines unless by the terms of such new mortgage it shall be provided that all of the above indentures then outstanding shall be included in the debt secured by such new mortgage."

Redemption: The above bonds are redeemable at 105 and interest, by series only, on any interest date, upon 90 days' notice.

Trustee: Guaranty Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Convertible Gold 4s

Dated { April 1, 1905
June 1, 1909

Maturing June 1, 1955

Interest payable June 1 and December 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Issued \$20,638,000

Outstanding \$19,661,000

Provisions of issue: Of the total amount issued, \$977,000 are in the treasury of the company, and the balance, \$19,661,000, are outstanding as above.

Security: These bonds are a direct obligation of the company, but are not secured by a mortgage. The indenture provides that no new mortgage shall be executed upon the property of the company owned as of January 1, 1905, without equally securing these bonds.

Convertibility: The above bonds are convertible at par into the common stock of the company at any time up to June 1, 1918.

Redemption: They are redeemable at 110 and interest, on any interest date, upon five months' notice. If called prior to June 1, 1918, they may be converted at the option of the holder into the common stock of the company.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1905 on a 4.00 basis		
1906	3.55	to 4.00 basis
1907	3.90	4.55
1908	3.75	4.75
1909	3.05	3.88
1910	3.05	3.95
1911	3.30	3.85
1912	3.62	3.70

These bonds are considered a legal investment for savings banks in New Hampshire.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Convertible Gold 5s

Dated June 1, 1907

Maturing June 1, 1917

Interest payable June 1 and December 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Issued \$15,213,000

Outstanding \$15,213,000

Security: The above bonds are a direct obligation of the Atchison, Topeka & Santa Fe Railway Company, but are not secured by a mortgage. The indenture provides that no new mortgage shall be executed against the property of the company owned as of January 1, 1907, without equally securing these bonds.

Convertibility: The above bonds are convertible at par into the common stock of the company at any time up to May 31, 1913.

Redemption: They are redeemable at 110 and interest, on any interest date, upon 90 days' notice. If called prior to May 31, 1913, they may be converted at the option of the holder into the common stock of the company.

Trustee: Standard Trust Company, New York.

These bonds sold in 1907 on a 4.75 to 6.00 basis		
1908	3.90	5.75
1909	2.00	4.15
1910	2.00	4.20
1911	2.00	4.00
1912	2.90	3.95

These bonds are considered a legal investment for savings banks in New Hampshire.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Convertible Gold 4s

Dated June 1, 1910

Maturing June 1, 1960

Interest payable June 1 and December 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000 and multiples.

Coupon and registered bonds interchangeable.

Issued \$43,686,000

Outstanding \$43,686,000

Security: The above bonds are a direct obligation of the Atchison, Topeka & Santa Fe Railway Company, but are not secured by a mortgage. The indenture provides that no new mortgage shall be executed against the property of the company owned as of January 1, 1907, without equally securing these bonds.

Convertibility: The above bonds are convertible at par into the common stock of the company at any time between June 1, 1913, and June 1, 1923.

Redemption: They are redeemable at 110 and interest, on any interest date, upon 90 days' notice. If called between June 1, 1913, and June 1, 1923, they may be converted at the option of the holder into the common stock of the company.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1910 on a 3.80 to 4.10 basis

1911	3.75	4.15
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1912	3.70	4.00
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These bonds are considered a legal investment for savings banks in New Hampshire.

ATCHISON, TOPEKA & SANTA FE RAILWAY

Eastern Oklahoma Division First Mortgage Gold 4s

Dated February 26, 1903

Maturing March 1, 1928

Interest payable March 1 and September 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000 and multiples.

Coupon and registered bonds interchangeable.

Issued \$9,603,000

Outstanding \$9,603,000

Per mile . . . 20,058

Provisions of issue: The original amount of this issue authorized was \$10,000,000, of which \$9,603,000 are outstanding as above. The balance, \$397,000, will not be issued.

Security: The above bonds are a direct obligation of the Atchison, Topeka & Santa Fe Railway Company, and are secured by a direct first mortgage on 478.75 miles of road including two important lines, one from Newkirk to Paul's Valley, Okla., 184 miles, the other from Guthrie, Okla., to Kiowa, Kas., 113 miles.

Equity: These bonds are prior in lien to the General 4s of 1995 and the Adjustment 4s of 1995 of the Atchison, Topeka & Santa Fe Railway Company.

Trustee: Guaranty Trust Company, New York.

The Eastern Oklahoma Railway Company, whose property is mortgaged under the indenture of this issue, was incorporated under the laws of Oklahoma in July, 1899. Its property was leased for 25 years from March 1, 1903, to the Atchison, Topeka & Santa Fe Railway Company at an annual rental equal to fixed charges. In 1907 the property was consolidated into that of the latter, forming the Eastern Oklahoma Division of the Atchison System.

These bonds sold in 1903 on a 4.35 to 4.40 basis

1904	4.05	4.50
1905	3.90	4.10
1906	3.90	4.30
1907	4.50	4.70
1908	4.10	4.35
1909	4.05	4.30
1910	4.20	4.35
1911	4.20	4.35
1912	4.30	4.55

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Rhode Island.

SAN FRANCISCO & SAN JOAQUIN VALLEY RAILWAY

First Mortgage Gold 5s

Dated October 1, 1896

Maturing October 1, 1940

Interest payable April 1 and October 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$6,000,000

Outstanding \$6,000,000

Per mile . . . 16,012

Security: The above bonds are secured by a first mortgage on the entire property of the company, including 374.71 miles of road, equipment, and all future acquisitions.

Equity: These bonds are prior in lien to the General 4s of 1995 and the Adjustment 4s of 1995 of the Atchison, Topeka & Santa Fe Railway Company.

Redemption: The above bonds are redeemable for the sinking fund at 110 and interest on or after January 1, 1916, if not purchasable for less.

Sinking fund: On or after January 1, 1916, the company agrees to provide a sinking fund which shall be equal to 1% annually of the net profits of the company from that date to January 1, 1921, 2% annually of the net profits from January 1, 1921, to January 1, 1926, 3% annually of the profits between 1926 and 1931, 4% annually of the profits between 1931 and 1936, and 5% annually thereafter, the same to be used to retire this issue at not exceeding 110 and interest.

Trustee: Bankers Trust Company, New York.

The San Francisco & San Joaquin Railway Company was chartered February 26, 1895, and its road was opened for traffic in 1898. It was purchased by the Atchison, Topeka & Santa Fe Railway Company in December, 1898, but was not incorporated into the Atchison System until July 1, 1899.

These bonds were quoted in 1909 on a 4.20 basis (bid).

1910	4.40
1911	4.35
1912	4.37

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Rhode Island.

CHICAGO & ST. LOUIS RAILWAY

First Mortgage Currency 6s

Dated March 1, 1885

Maturing March 1, 1915

Interest payable March 1 and September 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$1,500,000

Per mile . . . 10,640

Security: These bonds are secured by a first mortgage on 141.07 miles of road, including the line from Corwith to Ancona, Ill., 89.01 miles; also lands, depots, equipment, etc.

Equity: The bonds are prior in lien to \$560,000 Chicago, Santa Fe & California 5s of 1937 and to the Atchison, Topeka & Santa Fe Adjustment 4s of 1995, also to the Atchison, Topeka & Santa Fe General 4s of 1995, a sufficient number of which are reserved to retire these bonds at maturity.

Trustee: Farmers' Loan & Trust Company, New York.

The Chicago & St. Louis Railway Company was incorporated in Illinois January 1, 1885, and on May 1 of the same year succeeded to the property of the Chicago, St. Louis & Western Railroad Company. It was consolidated with the Chicago, Santa Fe & California Railway Company, whose property, in turn, was consolidated with the Atchison, Topeka & Santa Fe Railway Company in 1900.

These bonds sold in 1908 on a 4.50 basis

1909	4.05
1910	4.20
1911	4.25
December, 1912	4.25 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

CHICAGO, SANTA FE & CALIFORNIA RAILWAY

First Mortgage Gold 5s

Dated January 1, 1887

Maturing January 1, 1937

Interest payable January 1 and July 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$5,000.

Authorized \$35,000 per mile

Outstanding \$560,000

Per mile . . . 1,280

Provisions of issue: \$15,350,000 bonds have been issued, of which \$14,790,000 are deposited with the Trustee of the Atchison, Topeka & Santa Fe General 4s of 1995, and \$560,000 are outstanding as above. No more of the bonds will be issued, according to the terms of the General Mortgage 4s of 1995.

Security: The bonds are secured by a direct mortgage on 439.93 miles of road; also on equipment, future acquisitions, etc. They are secured by a first mortgage on 350.92 miles, extending from Ancona, Ill., to Big Blue Junction, Mo. They are also secured by a second mortgage on 89.01 miles, extending from Corwith to Ancona, Ill.

Equity: These bonds are prior in lien to the Atchison, Topeka & Santa Fe Adjustment 4s of 1995; also to the Atchison, Topeka & Santa Fe General 4s of 1995, which provide for the retirement of this issue.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Chicago, Santa Fe & California Railway Company was incorporated in Iowa December 3, 1886, and subsequently acquired the railroad and other properties of the Chicago & St. Louis Railway Company. It built an extension from the Western terminus of the Chicago & St. Louis Railway to Kansas City, Mo., which was opened for business in April, 1888. The property of the Chicago, Santa Fe & California Railway Company was deeded to the Atchison, Topeka & Santa Fe Railway Company in 1900.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

SANTA FE, PRESCOTT & PHOENIX RAILWAY

First Mortgage Gold 5s

Dated September 1, 1892

Maturing September 1, 1942

Interest payable March 1 and September 1 at Bankers' Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,940,000

Per mile . . . 25,330

Security: The above bonds are secured by a first mortgage on 195.35 miles of road extending from Ash Fork to Phoenix, Ariz.; also on equipment and future acquisitions.

The Atchison, Topeka & Santa Fe Railway Company agrees that the Santa Fe, Prescott & Phoenix Railway Company shall receive 5% of the gross earnings of interchanged business, which sum is to be applied to the payment of the principal and interest of the above bonds.

Equity: These bonds are prior in lien to the Atchison, Topeka & Santa Fe Railway-California-Arizona Lines First and Refunding 4 $\frac{1}{8}$ s of 1962, a sufficient number of which have been reserved to retire this issue.

Trustee: Bankers Trust Company, New York.

The Santa Fe, Prescott & Phoenix Railway Company was chartered under the laws of Arizona for 50 years from May 27, 1891. The road was opened for traffic March 13, 1895. It was controlled by the Atchison, Topeka & Santa Fe Railway Company, through ownership of its entire capital stock, except directors' shares, until December, 1911, when it was merged into the California, Arizona & Santa Fe Railway Company. The latter is entirely owned by the Atchison, Topeka & Santa Fe Railway Company.

These bonds sold in 1904 on a 4.45 basis

1905	4.45	
1906	4.30	to 4.60 basis
1907	4.50	4.87
1908	4.45	
1909	4.25	4.40
1910	4.45	4.55
1911	4.45	4.50
1912	4.35	4.50

These bonds are considered a legal investment for savings banks in Rhode Island.

HUTCHINSON & SOUTHERN RAILWAY

First Mortgage Gold 5s

Dated January 1, 1898

Maturing January 1, 1928

Interest payable January 1 and July 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$770,000

Outstanding \$192,000

Per mile . . . 1,360

Provisions of issue: Of the \$719,000 bonds issued, \$527,000 are owned by the Atchison, Topeka & Santa Fe Railway Company, and \$192,000 are outstanding as above.

Security: The above bonds are secured by a first mortgage on 141.38 miles of line, extending from Hutchinson, Kas., to Ponca City, Okla.; also on equipment, etc.

Equity: The bonds are prior in lien to the Atchison, Topeka & Santa Fe General 4s of 1895 and to the Adjustment 4s of 1895.

Redemption: These bonds are redeemable at 105 and interest on any interest date.

Trustee: Old Colony Trust Company, Boston.

The Hutchinson & Southern Railway Company was chartered December 21, 1897, and its property was consolidated with the Atchison, Topeka & Santa Fe Railway Company on October 1, 1899.

These bonds were quoted in 1910 on a 5.00 basis (bid)

1911 5.00

December, 1912 4.75 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Rhode Island.

GULF, BEAUMONT & KANSAS CITY RAILWAY

First Mortgage Sinking Fund Gold 6s

Dated July 25, 1893

Maturing August 1, 1913

Interest payable February 1 and August 1 at 5 Nassau Street, New York.

Coupon bonds of \$500.

Authorized \$750,000

Outstanding \$591,000

Per mile . . . 9,454

Provisions of issue: Of the \$750,000 authorized, \$156,000 are owned by the Atchison, Topeka & Santa Fe Railway Company, \$3,000 have been cancelled, and \$591,000 are outstanding as above.

Security: The bonds are secured by a first mortgage on 62.62 miles of line, extending from Beaumont to Rogan, Texas; also on future acquisitions.

The bonds are GUARANTEED as to INTEREST by the Gulf, Colorado & Santa Fe Railway Company, all the stocks and bonds of which are owned by the Atchison, Topeka & Santa Fe Railway Company.

Sinking fund: A sinking fund of 10% of the net income is applied annually to the purchase of these bonds at a price not to exceed 120. If bonds are not so purchasable, the sinking fund may be invested in other securities.

Equity: The above bonds are prior in lien to the Gulf, Beaumont & Kansas City Railway Second 5s and 6s of 1913.

Trustee: American Trust Company, Boston.

The Gulf, Beaumont & Kansas City Railway Company was chartered under the laws of Texas in 1893, and its road was opened for traffic in 1899. The entire capital stock of the company is owned by the Atchison, Topeka & Santa Fe Railway Company, and its property is leased to June 30, 1913, to the Gulf, Colorado & Santa Fe Railway Company.

These bonds sold in 1903 on a 5.30 basis.

These bonds were quoted in 1909, 1911 and 1912 on a 6.00 basis.

GULF, BEAUMONT & KANSAS CITY RAILWAY

Second Mortgage Gold 5s and 6s

Dated July 27, 1893

Maturing August 1, 1913

Interest payable February 1 and August 1 at 5 Nassau Street, New York.

Coupon bonds of \$500.

Authorized \$750,000

Outstanding (6s) \$115,500

(5s) 97,500

Per mile 3,400

Provisions of issue: Of the \$750,000 authorized, \$537,000 are owned by the Atchison, Topeka & Santa Fe Railway Company, and the remainder, \$213,000, are outstanding as above.

Security: The above bonds are secured by a second mortgage on the 62.62 miles of line from Beaumont to Rogan, Tex., covered by the first lien of the Gulf, Beaumont & Kansas City First 6s of 1913.

The bonds are GUARANTEED as to INTEREST by the Gulf, Colorado & Santa Fe Railway Company, all the stocks and bonds of which are owned by the Atchison, Topeka & Santa Fe Railway Company.

Sinking fund: A sinking fund of 10% of the net income is applied annually to the purchase of these bonds at a price not to exceed 120. If bonds are not so purchasable, the sinking fund may be invested in other securities.

Trustee: American Trust Company, Boston, Mass.

For history, see above.

PRESCOTT & EASTERN RAILROAD

First Mortgage Gold 5s

Dated April 1, 1898

Maturing April 1, 1928

Interest payable April 1 and October 1 at 5 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$224,000

Per mile . . . 8,480

Provisions of issue: Of the \$500,000 authorized, \$135,000 are owned by the Atchison, Topeka & Santa Fe Railway Company, and \$224,000 are outstanding as above.

Security: The above bonds are secured by a first mortgage on 26.4 miles of line, extending from Prescott & Eastern Junction to Meyer, Ariz.; also on lands, buildings, franchises, incomes, etc.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Santa Fe, Prescott & Phoenix Railroad Company under the terms of the lease.

Equity: These bonds are prior in lien to the Atchison, Topeka & Santa Fe Railway-California-Arizona Lines First & Refunding 4½s of 1962, a sufficient number of which have been reserved to refund this issue.

Trustee: Central Trust Company of New York.

The Prescott & Eastern Railroad Company was chartered under the laws of Arizona, September 14, 1897, for 50 years. Its road was opened for traffic June 15, 1899. Its property was leased to the Santa Fe, Prescott & Phoenix Railway Company for 99 years from June 30, 1898, but in December, 1911, it was merged into the California, Arizona & Santa Fe Railway Company, the latter forming an integral part of the Atchison System.

ATCHISON, TOPEKA & SANTA FE RAILWAY

California-Arizona Lines

First and Refunding Mortgage 4½s

Dated March 1, 1912

Maturing March 1, 1962

Interest payable March 1 and September 1 at New York and London.

Coupon bonds of \$100, \$500 and \$1,000.

Registered bonds of \$1,000 and \$10,000. Coupon and registered bonds interchangeable.

Sterling bonds of £20, £100 and £200. Franc bonds of 2,500 and 5,000 francs.

All registerable as to principal.

Authorized \$50,000,000

Outstanding \$9,394,000

£1,830,000

Per mile . . . \$21,916

Provisions of issue: Of the \$50,000,000 authorized, \$31,700,000 have been reserved for extensions, construction of terminals, bridges, etc., acquisition of stocks and bonds, etc., under restrictions, and to refund underlying bonds. \$9,394,000 and £1,830,000 are outstanding as above

Security: The above bonds are a direct obligation of the Atchison, Topeka & Santa Fe Railway Company, and are secured by a direct mortgage, or collateral trust lien, on 834.66 miles of road. They are secured by a first mortgage on 296.87 miles, including the line from Cadiz, Cal., to A and C Junction, Ariz., 190 miles; and, in effect, by a first mortgage on 73.85 miles of road through deposit with the trustee of underlying securities on the same. They are further secured by a second mortgage on 463.94 miles, covered by the first liens of the Southern Pacific First Consolidated 5s of 1937, the Santa Fe, Prescott & Phoenix First 5s of 1942, the Prescott & Eastern First 5s of 1928 and the California Eastern Railway First 5s of 1921.

Redemption: These bonds are redeemable as a whole but not in part at 110 and interest, on any interest date, upon 90 days' notice, at the option of the California, Arizona & Santa Fe Railway Company, a joint executor of the mortgage with the Atchison, Topeka & Santa Fe Railway Company.

Trustee: Guaranty Trust Company, New York.

The California, Arizona & Santa Fe Railway Company was organized in December, 1911, in the interests of the Atchison, Topeka & Santa Fe Railway Company, which owns all its capital stock (\$50,000,000) except directors' shares.

These bonds were quoted in July, 1912, on a 4.50% basis.

BALTIMORE & OHIO RAILROAD COMPANY

BALTIMORE & OHIO RAILROAD COMPANY

HISTORY

The Baltimore & Ohio Railroad is one of the oldest in America; in fact it is the oldest of the larger railroads in continuous existence. Its report for 1912 was its eighty-sixth annual statement to its stockholders. The road was chartered in Maryland on February 28, 1827, and in Virginia on March 8, 1827. The construction of the road was begun on July 4, 1828, and the main line was opened throughout on January 1, 1853.

Its construction was directly instigated by the completion of the Erie Canal, and was assisted by loans from the City of Baltimore. The road consisted of iron-plated wooden rails along which tram-cars ran "at the marvellous speed of nine miles an hour." The first steam-drawn train travelled at the rate of ten miles an hour, and it was predicted that "before long this unprecedented rate of speed will be raised to eighteen, and even twenty miles an hour, and the journey to the Ohio will some day be performed within twenty-four hours." Time has proved that this was a most conservative statement.

The modern Baltimore & Ohio Railroad was largely the creation of John W. Garrett, who was its president from 1858 until his death in 1884. He was succeeded by his son, Robert Garrett, who was killed soon after. In 1887 dividends on the common stock were passed, and from that time until the actual failure of the road in 1896, it was forced into destructive rate wars which swept it into bankruptcy.

It was in February, 1896, that the company became insolvent. Being unable to meet the interest on several important issues of its bonds, receivers were appointed on March 1. At that time the company owned in fee simple 513 miles of main line and branches and, in addition, about 1,750 miles of leased and proprietary roads, the results from whose operation were included in its income account. Besides this the company operated, as agent for their owners, three small railroads in Virginia, and controlled the operation of, but did not directly operate, the Baltimore & Ohio Southwestern Railway, the Cleveland Terminal & Valley Railroad, the Monongahela River Railroad, the Pittsburgh & Western Railway, the Sharpsville Railroad, the Staten Island Railway, the Staten Island Rapid Transit Railway and the West Virginia & Pittsburgh Railroad.

The receivership covered all the lines operated directly by the Baltimore & Ohio Railroad Company, but not those operated by their own organizations. Separate receivers were appointed afterward for these. The Baltimore & Ohio receivers were in possession for more than three years and practically renewed the road and its equipment, at the same time carrying through the plan of reorganization without foreclosure. The property was restored to the company on July 1, 1899.

In the reorganization the proprietary and leased lines were practically absorbed, all their securities and debts being acquired by the new company and deposited under mortgages. The Central Ohio System of railroads, including the Central Ohio Railroad, the Columbus & Cincinnati Midland Railroad, the Newark, Somerset & Straitsville Railroad and the Sandusky, Mansfield & Newark Railroad, was acquired by the reorganized company. Also, the securities of the Baltimore & Ohio Southwestern Railroad Company, a reorganization of the Baltimore & Ohio Southwestern Railway Company, were taken over and deposited under its Southwestern Division mortgage. The operation of the Baltimore & Ohio Southwestern Railroad was not assumed until July 1, 1900.

Besides this, the reorganized company purchased the capital stocks of the Monongahela River Railroad and the West Virginia & Pittsburgh Railroad Companies, assuming their direct operation

April 1, 1900, and September 1, 1899, respectively. Sold under foreclosure of its second mortgage on October 9, 1901, the Pittsburgh & Western Railroad was purchased by the Baltimore & Ohio Railroad Company, and reorganized as the Pittsburgh & Western Railway. The control of this road carried with it the ownership of several important branches and the control of the Pittsburgh, Cleveland & Toledo Railroad and the Pittsburgh, Painesville & Fairport Railroad.

During the year 1901 the Baltimore & Ohio Railroad Company acquired the control of the Cleveland, Lorain & Wheeling Railroad, the Ohio River Railroad, the Ohio and Little Kanawha Railroad and the West Virginia Short Line Railroad Companies. By January 1, 1902, they had been taken over for operation, and on February 1, 1902, operation was assumed of the Cleveland Terminal & Valley Railroad and the Pittsburgh Junction Railroad.

On June 30, 1912, the Baltimore & Ohio Railroad Company owned one-sixth of the capital stock of the Richmond-Washington Company, which controls the "Union Line" between Washington, D. C., and Richmond, Virginia. It also owned 121,300 of the 560,000 shares of first preferred, 285,300 of the 840,000 shares of second preferred, and 200,050 of the 1,400,000 shares of common stock of the Reading Company. The latter controls the Philadelphia & Reading Railway and the Central Railroad of New Jersey, and both form an essential part of the Baltimore & Ohio's through line to New York.

One other acquisition will eventually prove of importance to the Baltimore & Ohio Railroad Company, namely, the agreement made July 1, 1909, whereby the above company has the option to 1916 to acquire the controlling stock of the Cincinnati, Hamilton & Dayton Railway Company. This railroad was formed in 1895 as the consolidation of the old Cincinnati, Hamilton & Dayton, Cincinnati, Dayton & Ironton, and the Cincinnati, Dayton & Chicago Railroads. It controlled the Pere Marquette System by lease from 1903 to 1906, and was itself controlled by Erie interests from 1904 to 1906. It held a majority of the common stock of the Pere Marquette until 1910, when it passed into the control of J. P. Morgan & Company. The Cincinnati, Hamilton & Dayton Railway still has a joint interest with the Cleveland, Cincinnati, Chicago & St. Louis in the Dayton & Union Railway. It owns, jointly with the Southern Railway and the Alabama, New Orleans, Texas & Pacific Junction Railways, Ltd., a majority of the stock of the Southwestern Construction Company, which, in turn, controls the Cincinnati, New Orleans & Texas Pacific Railway.

Under the terms of the above-mentioned agreement, the Baltimore & Ohio Railroad effected a plan for the adjustment of future interest charges, and the payment or adjustment of the floating debt of the Cincinnati, Hamilton & Dayton Railway. It also agreed at that time to provide approximately \$7,000,000 for improvements and working capital, and to guarantee the latter's first and refunding mortgage 4s dated July 1, 1909, and \$11,557,000 4 per cent notes maturing July 1, 1913. Also, when under the agreement the acquisition of the latter's stock is made by the Baltimore & Ohio Railroad, it is obliged to purchase at 85, or guarantee, \$20,000,000 of the Cincinnati, Hamilton & Dayton Railway's General Mortgage bonds due July 1, 1939.

A word might be said about the dominant influences in the Baltimore & Ohio Railroad itself. On January 1, 1912, the Pennsylvania Railroad and subsidiary lines owned \$21,273,000 preferred and \$21,273,000 common stock of the Baltimore & Ohio Railroad. On June 30, 1912, the Union Pacific Railroad Company owned \$7,206,000 preferred and \$32,334,000 common stock of the company. Representatives of both the Pennsylvania and the Union Pacific Railroads are to be found among the dozen directors who manage the destinies of the Baltimore & Ohio.

PROPERTY

At the close of the company's fiscal year, June 30, 1912, the Baltimore & Ohio Railroad operated 4,455.06 miles of main track. Of this amount 73.76 miles were operated under trackage rights. The total extra main track of the system included 1,242.40 miles of second main track, 167.36 miles of third main track, and 39.24 miles of fourth main track, totaling 1,449 miles.

The principal line of the Baltimore & Ohio Railroad extends from Philadelphia, through Bal-

timore, westward through Maryland, forking at Cumberland into two main branches; one extending to Pittsburgh, Lake Erie, and Chicago, the other through Cincinnati to Louisville and St. Louis. Entrance to New York City is made over the Philadelphia & Reading lines. The Baltimore & Ohio does interstate business in the States of Pennsylvania, Maryland, Virginia, West Virginia, Ohio, Indiana and Illinois. The population of these states in 1890 was 18,412,159; in 1900, 21,798,700; and in 1910, 25,349,776.

CAPITALIZATION

Based on the annual report of the Baltimore & Ohio Railroad Company for the fiscal year ending June 30, 1912, the following capitalization figures of the system appear:

Common stock	\$152,246,988
Preferred stock	59,989,247
Total capital stock	\$212,236,235
Funded debt	343,882,779
Gross capitalization	\$556,119,114
Securities owned	60,304,809
Net capitalization	\$495,814,205
Net capital per mile operated	\$111,293
Average miles operated	4,455.06
Net income to net capital	6.5%
Fixed charges to net income	56.9%
Margin of safety	43.1%

The actual net capital per mile of road operated, \$111,293, as above, is not a large figure as compared with other roads similarly situated and meeting the same transportation problems.

Below is the average net capitalization and the average net income to net capital for the decade ending June 30, 1912, of the Baltimore & Ohio Railroad, and the decade ending December 31, 1911, of the New York Central and the Pennsylvania Railroad Companies.

Baltimore & Ohio	\$102,550	6.7%
New York Central	125,652	7.6
Pennsylvania	125,063	11.5

As will be seen by the foregoing, the New York Central, with an average net capitalization of \$125,600 per mile, is able to show a net income of 7.6% on it for the decade. This is obviously a better showing than that of the Baltimore & Ohio, which earned net on its average net capital only 6.7%; but it should be said of the New York Central that its showing is bettered to no small degree by its rich subsidiaries which can be depended upon at any time to help materially in meeting its dividend payments, thereby swelling the total net income available for capital requirements.

As will be seen above, the fixed charges of the road consume 56.9% of the total net income, leaving a margin of safety for the interest on its bond issues of 43.1%. The average margin of safety for ten years past is relatively better, being 51%, as compared with the average margin of safety for the same period of 32% for New York Central bond issues, and 55% for Pennsylvania securities.

CHARACTER OF TRAFFIC

To a greater extent than most of the large Eastern roads, the Baltimore & Ohio Railroad is primarily a freight road, and like most large Eastern lines, except possibly the New York Central, the larger part of its freight earnings are from coal traffic. To show the exact proportion of coal traffic to total freight traffic and of freight to the entire traffic of the road, the following table is appended for the years ending June 30, 1907 to 1912 inclusive:

Ratio of all Traffic

	1912	1911	1910	1909	1908	1907
Coal (soft)	46%	44%	42%	43%	44%	39%
Other commodities	54	56	58	57	56	61
	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%
Total freight	78%	77%	78%	76%	76%	79%
Passenger	16	17	16	18	18	17
Other	6	6	6	6	6	4
Total traffic	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%	<hr/> 100%

As will be seen by the above, over 75% of the traffic of the railroad is freight, and of this freight, over 43%, on an average, is represented by bituminous coal traffic. In point of fact, fully two thirds of the entire freight carried consists of mine products, largely coal and coke. The following table is given showing the number of tons of commodities carried during the fiscal years 1907 to 1911 inclusive:

Commodity Statistics

Products of	1912 Tons	1911 Tons	1910 Tons	1909 Tons	1908 Tons	1907 Tons
Agriculture	3,203*	3,299*	3,243*	2,796*	3,029*	3,095*
Animals	935	966	875	842	847	824
Mines	43,115	39,536	40,806	31,297	32,115	37,403
Forests	2,627	2,765	3,092	2,487	2,599	3,088
Manufactures	10,165	9,651	10,626	7,397	7,301	9,927
Miscellaneous	4,659	4,330	4,157	3,404	3,596	4,112
Total	<hr/> 64,704	<hr/> 60,547	<hr/> 62,797	<hr/> 48,223	<hr/> 49,487	<hr/> 58,449

The above figures show that, of the total freight tonnage for the period in question, only about 5%, on an average, represents products of agriculture, 5% products of forests, 16% products of manufactures, and 8% miscellaneous commodities. This leaves approximately 66%, which is accounted for by the products of mines, a fact which proves in itself the dependence of the railroad upon its coal traffic. Therefore, with such a preponderance of low-grade freight, the earning capacity of the road is dependent largely upon the maintenance of its coal and commodity freight rates.

Compiled from the official reports of the railroad for the years 1907 to 1912 inclusive, the following earnings statistics are submitted:

* 000 omitted.

Freight Earnings

	1912	1911	1910	1909	1908	1907
Average coal earnings per ton	\$.8377	\$.8298	\$.8215	\$.7977	\$.8053	\$.7869
Average coal earnings per ton per mile . . . . .	.0041	.0041	.0041	.0041	.0041	.0040
Average freight earnings per ton	1.120	1.117	1.1053	1.1171	1.1252	1.1057
Average freight earnings per ton per mile . . . . .	.0058	.0057	.0057	.0058	.0057	.0057
Freight earnings per mile of road	16,266	15,253	15,652	13,456	13,946	16,131

As will be seen by the foregoing, coal and freight earnings per ton have been steady, and have tended generally to increase. The average coal earnings per ton increased from \$.7869 in 1907 to \$.8377 during the fiscal year ending June 30, 1912, while the average coal earnings per ton per mile remained practically stationary. The freight rate per ton per mile averaged \$.0058 for the period, and this compares very favorably with the corresponding figures of the Pennsylvania Railroad, the Chesapeake & Ohio Railway, and the Norfolk & Western Railway — roads similarly situated and depending upon the same sort of traffic as the Baltimore & Ohio. The above-mentioned roads report a freight rate per ton per mile of \$.0059, \$.0043, and \$.0047 respectively.

The passenger business of the Baltimore & Ohio Railroad represents about 17% of the total traffic, as is shown in a table above. While the actual number of passengers carried during the years 1907 to 1912 inclusive increased steadily, passenger density tended to decline and the average earnings per passenger per mile remained practically stationary. In the case of the latter, the 1912 figures show a slight improvement over those of 1908, 1909, 1910 and 1911, but nowhere near equal the average earnings per passenger per mile for the decade prior to 1907. Following are some of the more salient passenger statistics of the Baltimore & Ohio for the fiscal years ending June 30, 1907 to 1912 inclusive:

Passenger Statistics

	1912	1911	1910	1909	1908	1907
Number of passengers carried	22,178*	21,969*	21,107*	18,614*	18,775*	17,468*
Passenger density	171,977	179,506	172,165	172,286	182,005	180,574
Average earnings per passenger	\$.6653	\$.6923	\$.6863	\$.6968	\$.7316	\$.8099
Average earnings per passenger per mile . . . . .	.0193	.0191	.0189	.0188	.0189	.0195
Passenger earnings per mile	3,312	3,430	3,266	3,239	3,440	3,531

EARNINGS

Based on the annual reports of the company, the following table is presented showing the actual gross and net earnings, also earnings figured on the basis of miles operated, for the years 1907 to 1912 inclusive:

* 000 omitted.

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907 . .	4006	\$82,243,921	\$20,530	\$27,363,830	\$6,830
1908 . .	3992	73,608,781	18,439	19,457,901	4,875
1909 . .	4004	71,043,519	17,743	23,491,542	5,867
1910 . .	4434	88,901,252	20,049	27,567,451	6,217
1911 . .	4434	88,145,003	19,879	25,378,936	5,724
1912 . .	4455	92,594,323	20,784	27,884,785	6,259

In the above table the 1907, 1908 and 1909 figures do not include the earnings of controlled and affiliated lines. In 1910 these lines, which had been independently operated, were merged directly into the Baltimore & Ohio System, and their operations were included in the reports of the company. This accounts for the increase in miles operated and the marked advance in earnings during that year. Because of this merger, the 1910, 1911 and 1912 figures represent the earnings of the entire system except those of the Staten Island Railway, the Staten Island Rapid Transit Railway, and the Baltimore & Ohio Chicago Terminal Railroad Companies.

As will be seen by the above comparative figures, in the year 1911 the gross earnings per mile decreased somewhat as compared with 1910, recovering sharply, however, in 1912. While the road was able to report substantial gross earnings in 1911, its operating costs tended to advance, resulting in net earnings per mile lower than any reported since 1908. The splendid gain in gross in 1912 was saved to a large degree for net, which in actual dollars were the largest ever reported.

EXPENSES

To get a clear idea of the company's operating expenses, both for maintenance and conducting transportation, the following table has been compiled from the annual reports of the Baltimore & Ohio Railroad Company for the fiscal years ending June 30, 1907 to 1912 inclusive, showing the actual amounts spent, also the amounts based on the average miles operated, and the ratios of each to total expenses and to gross earnings:

Operating Expenses

	1912	1911	1910	1909	1908	1907
Maintenance of way	\$11,365,454	\$10,279,615	\$11,661,409	\$9,017,396	\$10,892,061	\$10,944,597
Per mile	2,551	2,318	2,630	2,252	2,728	2,632
Maintenance of equip.	16,651,534	15,881,620	16,373,775	10,985,730	12,584,072	12,993,722
Per mile	3,738	3,582	3,693	2,744	3,152	3,357
Conducting transp., etc.	36,692,549	36,604,831	33,298,614	27,548,850	30,674,746	30,941,770
Per mile	8,236	8,255	7,509	6,880	7,684	7,711
Total expense	64,709,537	62,766,067	61,333,800	47,551,976	54,150,879	54,880,090
Per mile	14,525	14,155	13,832	11,876	13,564	13,700
% maintenance way to expense	17.5%	16.4%	19.0%	19.0%	20.1%	19.2%
% maintenance equip. to expense	25.7	25.3	26.7	23.1	23.2	24.5
% conducting transp. to expense	57.8	58.3	54.3	57.9	56.7	56.2
% expense to gross earnings	69.8	71.2	69.0	66.9	73.5	66.7
% conducting transp. to gross earnings	39.6	41.5	37.4	38.7	41.7	37.5

The first things to consider in the foregoing figures are the charges to maintenance for the period in question. In 1907, the largest year in the company's history up to that time, maintenance charges

were extremely high, being far above those of 1906, which were at that time greater than they had ever been before. The business depression which followed the panic of 1907 had its natural effect upon the earnings of the company, causing a marked decrease. The Company, however, did not scale down maintenance and operating costs in proportion to the reduction in gross income, and we find maintenance charges for that year very nearly equivalent to those of the high figures of 1907.

In 1909 drastic cuts appear in the maintenance charges. This fact has been explained as due to the desire of the road's managers to make a reasonable dividend showing. The effect of that year's under-maintenance was more than offset by the generous charges to upkeep which were recorded in 1910. During the fiscal year of 1911 a slight reduction was made necessary by the falling off in gross earnings due to the generally unsettled business conditions which so affected roads of this class. In 1912, maintenance charges equalled those of 1910.

Turning from maintenance to charges for conducting transportation, the tendency for this item to increase during the six years in question is very noticeable. In fact, operating costs have increased steadily since 1902. Important factors contributing to this increase in operating expenses are found in those items of expense directly connected with the maintenance and operation of locomotives. Including locomotive maintenance, wages of enginemen, engine house expenses, as well as fuel, water and other supplies for locomotives, it cost \$11,816,860 to run the company's locomotives 57,208,959 miles in 1902; while during the fiscal year of 1912 locomotives ran 61,119,637 miles at the cost of \$20,292,169, or \$3.32 per mile compared with \$2.07 per mile in 1902.

The increasing cost of conducting transportation is still more strongly shown in the ratios presented above. While the ratio of maintenance of way and of equipment to total expense remains practically stationary, the ratio of the cost of actual operation to the total amount spent has generally increased. The ratio of expense to gross earnings, which increased from 66.7% for the year 1907 to 69.88% in 1912 can be almost entirely explained by this item. But a still more significant figure is that of the actual ratio between the cost of conducting transportation and gross earnings. As will be seen by the above figures, the ratio of 37.5% in 1907 increased to 39.6% in 1912; that is, for every hundred dollars earned it cost \$37.50 in 1907 merely to operate, and \$39.60 in 1912.

That this has been a disturbing feature in the income account of the company has been evident for a long time, and it is significant to note the efforts on the part of the management during the year 1912 so to increase the operating efficiency of the road as to decrease the costs of conducting transportation.

The average train load for the year 1911 was 441 tons. This was increased during the year ending June 30, 1912, to 554 tons, an increase of 113 tons or 26%, a truly remarkable gain in operating efficiency. Correspondingly, revenue per train mile increased from \$2.05 in 1911 to \$2.39 in 1912. Net profits per train mile increased from \$.591 to \$.719.

IMPROVEMENTS

Since its reorganization in 1899 the Baltimore & Ohio Railroad Company has systematically set aside from its surplus earnings very large sums for improvements. \$26,901,238 has been expended in this way. This amount is insignificant, of course, in comparison with amounts spent by the Pennsylvania Railroad, the New York Central, or even the Delaware, Lackawanna & Western, but it must be remembered that the above companies' earnings are proportionately greater.

In addition to the above amount spent from income, the Baltimore & Ohio has expended enormous amounts upon improvements and charged them to capital. Additions and betterments to road and equipment since June 30, 1907, which have been charged to capital, amounted to \$71,882,189, as per balance sheet of June 30, 1912.

Year	Road	Equipment	General	Total
1910	\$11,033,358	\$10,004,408	\$20,747	\$21,067,513
1911	18,771,942	14,568,327	1,658	33,341,927
1912	11,969,912	5,502,837		17,472,749
				\$71,882,189

Within the past few years the road has been practically made over. New ballasting, double tracking, the installation of automatic block signals, the purchase of new equipment — both locomotives with heavier tractive power and steel cars with greater carrying capacity — and the building of bridges to care for the increasingly heavy traffic of the road have meant the expenditure of many millions of dollars. The road has deliberately burdened itself with charges upon this outlay in order to prepare itself to meet more efficiently the requirements of the future.

In 1910 the company issued \$50,000,000 three-year gold secured notes, \$10,000,000 of which were to refund maturing notes, and the balance to be spent in additions and betterments of the sort mentioned above. Already a large portion of this amount has been expended. During the fiscal year of 1911 \$28,600,000 was used in this way, \$14,000,000 in additions to property and \$14,600,000 for equipment. In February, 1912, the company issued \$10,000,000 more notes in the form of equipment trust certificates. The proceeds were to reimburse the company's treasury, in part, for money expended from earnings on equipment and improvements during the two preceding years.

In short, the company is endeavoring in every way to provide necessary facilities to meet the demands of general business and particularly of the increasing industrial developments along its lines. These outlays of capital prove conclusively the belief of the road's managers in the possibility of increasing its earning power.

DIVIDENDS

The Baltimore & Ohio Railroad Company has paid the following dividends since its reorganization in 1899:

Year	Rate	
	Preferred	Common
1900	4%	2%
1901-4	4	4
1905	4	4½
1906	4	5½
1907-12	4	6

Any fear as to the ability of the company to maintain the present dividend rate was dispelled by the report of its earnings for the fiscal year of 1912. Gross earnings were well over \$92,000,000, — a new high record. Approximately, the surplus available for dividends on the \$252,246,988 common stock outstanding was equal to 7.5%. This compares with 6.8% earned in 1911 and 9.1% in 1910.

STATISTICS

On the following page are given capitalization, earnings and traffic statistics of the Baltimore & Ohio Railroad, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive:

BALTIMORE & OHIO RAILROAD

Fiscal year	Preferred stock	Common stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$18,555	\$14,067	\$62,030	Nom.	\$94,562	\$4,790	\$89,887	3,199	698
1905	14,900	30,867	61,005	"	106,772	10,817	95,955	4,026	1,138
1906	14,889	33,444	64,026	"	112,359	12,648	99,711	4,030	1,182
1907	14,977	37,987	64,999	"	117,963	14,002	103,961	4,006	1,231
1908	15,030	38,120	66,794	"	119,944	14,130	105,814	3,992	1,266
1909	14,985	38,006	67,000	"	119,991	10,581	109,410	4,004	1,303
1910	13,528	34,314	72,464	"	120,306	13,411	105,430	4,434	1,318
1911	13,529	34,336	74,906	"	122,769	13,462	107,737	4,434	1,392
1912	12,465	34,174	77,190	"	124,829	13,536	111,293	4,455	1,449

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$13,236	\$1,492	\$1,598	\$5,597	\$4,549	\$313	\$4,862	\$2,686	\$2,176
1905	16,813	1,950	2,717	6,438	5,707	740	6,447	2,930	3,517
1906	19,204	2,315	3,105	6,866	6,917	860	7,777	3,027	4,750
1907	20,530	2,632	3,357	7,711	6,880	1,007	7,837	3,202	4,635
1908	18,439	2,728	3,152	7,684	4,875	1,090	5,965	3,354	2,611
1909	17,733	2,252	2,744	6,880	5,867	1,035	6,902	3,650	3,252
1910	20,049	2,690	3,693	7,509	6,917	951	7,168	3,505	3,664
1911	19,879	2,318	3,582	8,255	5,724	1,104	6,828	3,936	2,892
1912	20,784	2,551	3,738	8,236	6,259	986	7,245	4,125	3,120

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Total main- tenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on	
										Preferred	Common
1900	\$1,274	\$802	\$94	65.07%	23.27%	41.9%	20.2%	14.0%	5.4%	10.8%	9.1%
1905	1,985	740	792	66.05	27.8	38.3	17.4	15.8	6.6	23.6	7.5
1906	2,295	1,012	1,178	63.98	28.0	36.0	17.4	17.0	7.7	31.9	12.4
1907	2,878	1,027	736	66.73	29.2	37.5	15.6	16.7	7.5	29.1	9.9
1908	2,888	69	343 *	73.57	31.9	41.7	18.2	15.4	5.6	16.8	5.1
1909	2,880	136	236	66.93	28.2	38.7	21.3	14.8	6.4	21.7	6.9
1910	2,587	94	983	69.00	31.6	37.4	17.4	16.6	6.7	26.4	9.1
1911	2,588		304	71.21	29.7	41.5	19.7	16.2	6.3	21.3	6.8
1912	2,576		544	69.88	30.3	39.6	19.8	16.6	6.5	25.0	7.5

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.42	\$1.55	\$2.10	\$7.36	\$3.19	\$0.184	\$0.046	2,124,274	365	75%	65,026
1905	1.89	.216	.300	.713	.631	.0196	.0056	2,218,966	399	75	75,782
1906	1.98	.238	.319	.706	.707	.0201	.0056	2,659,949	420	78	90,354
1907	2.05	.263	.335	.771	.683	.0195	.0057	2,828,065	433	79	84,676
1908	1.92	.284	.328	.801	.508	.0189	.0056	2,451,747	408	76	87,935
1909	1.95	.250	.304	.762	.634	.0189	.0058	2,315,649	425	76	85,964
1910	2.05	.269	.377	.768	.636	.0190	.0057	2,711,666	442	78	85,953
1911	2.05	.239	.369	.852	.591	.0191	.0057	2,639,654	441	77	90,703
1912	2.39	.293	.430	.948	.719	.0192	.0058	2,803,648	554	78	89,379

* Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Baltimore & Ohio Railroad System, together with the bases upon which they have sold during the decade ending December 31, 1912:

BALTIMORE & OHIO RAILROAD

Prior Lien Gold 3½s

Dated July 1, 1898

Maturing July 1, 1925

Interest payable on coupon bonds January 1 and July 1. Registered bonds January 1, April 1, July 1 and October 1, at the company's office, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$1,000 and multiples thereof.

Authorized \$75,000,000

Outstanding \$74,852,150
Per mile . . . 72,780

Provisions of issue: On June 30, 1912, \$74,852,150 of the \$75,000,000 authorized were outstanding in the hands of the public, as above, and \$147,850 were held in the treasury.

Security: The above bonds are secured by (1) a direct first mortgage on 91.84 miles of road; (2) a direct second mortgage on 376.31 miles of road; (3) a first collateral trust mortgage on 560.31 miles of road through deposit of \$24,791,000 and £1,352,000 bonds and \$17,827,797 stocks; (4) the right, title and interest of the company in certain claims against the Washington County Railroad, Berkley Springs & Potomac Railroad, and Pittsburgh & Connellsville Railroad; (5) a first lien on equipment valued on June 30, 1907, at about \$48,000,000.

Equity: The above bonds are prior in lien to the \$165,000,000 Baltimore & Ohio First Mortgage 4% bonds due July 1, 1948, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Bankers Trust Company, New York.

These bonds sold in 1902 on a 3.65 to 4.00 basis

1903	3.70	4.10
1904	3.72	4.00
1905	3.65	3.90
1906	3.67	4.10
1907	4.00	4.70
1908	3.85	4.35
1909	3.90	4.25
1910	4.125	4.50
1911	4.15	4.35
1912	4.125	4.50

These bonds are considered a legal investment for savings banks in New Hampshire, Vermont, Massachusetts and Rhode Island.

BALTIMORE & OHIO RAILROAD

First Mortgage Gold 4s

Dated July 1, 1898

Maturing July 1, 1948

Interest payable on coupon bonds April 1 and October 1 at the company's office, New York.

Registered bonds January 1, April 1, July 1 and October 1, by check.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples thereof.

Authorized \$165,000,000

Outstanding \$74,978,750

Per mile . . . 46,810

Provisions of issue: Of the \$165,000,000 authorized, \$78,000,000 have been issued, of which \$3,021,250 are held in the treasury and \$74,978,750 are outstanding as above. The \$88,000,000 unissued bonds are held to retire \$75,000,000 Prior Lien 3½% of 1925 and for betterments and extensions at not exceeding \$1,000,000 a year.

Security: The above bonds are secured by (1) a direct first mortgage on 56.26 miles of road; (2) a first collateral trust mortgage on 517.03 miles of road through deposit of \$12,000,000 and £2,600,000 bonds and \$19,579,000 stocks; (3) a first collateral trust mortgage on valuable terminal property, being secured by pledge of the entire \$8,487,200 Baltimore & Ohio Railroad Terminal 4½% of 1934; (4) a direct second mortgage on 91.84 miles; (5) a direct third mortgage on 376.31 miles of road, and (6) a second collateral trust mortgage on 560.31 miles.

Redemption: These bonds are redeemable at 105 and interest on any interest date after July 1, 1923, on three months' notice.

Trustees: United States Trust Company and John A. Stewart, New York.

These bonds sold in 1902 on a 3.77 to 4.02 basis

1903	3.77	4.03
1904	3.80	3.99
1905	3.68	3.90
1906	3.75	3.99
1907	3.875	4.02
1908	3.90	4.15
1909	3.90	4.125
1910	3.99	4.125
1911	4.02	4.17
1912	4.05	4.25

These bonds are considered a legal investment for savings banks in New England except Connecticut.

BALTIMORE & OHIO RAILROAD

Pittsburgh Junction & Middle Division First Mortgage Gold 3½s

Dated November 1, 1898

Maturing November 1, 1925

Interest payable on coupon bonds May 1 and November 1 at the company's office, New York.

Registered bonds February 1, May 1, August 1 and November 1, by check.

Coupon bonds of \$500 and \$1000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples thereof.

Authorized \$20,000,000

Outstanding \$6,176,230

Per mile . . . 16,150

Provisions of issue: Of the \$20,000,000 bonds authorized, \$14,836,830 have been issued, as follows: \$50 are held in the treasury, \$8,660,550 are pledged as part collateral for the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia Refunding 4s of 1941, and \$6,176,230 are outstanding, as above. No more of these bonds are to be issued unless they are pledged under the Pittsburgh, Lake Erie & West Virginia Refunding Mortgage.

Security: The above bonds are secured by a collateral trust mortgage on 382.34 miles of road, terminal property, etc., through deposit of securities of subsidiary companies, totalling \$6,244,000 bonds and \$12,357,959 stocks.

Equity: Provision is made in the mortgage securing the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System Refunding Mortgage 4s due November 1, 1941, for the retirement of these bonds and for the inclusion of the properties and securities covered by these bonds in the security of the refunding mortgage.

These bonds sold in 1902 on a 3.90 to 4.25 basis

1903	4.125	4.40
1904	4.00	4.40
1905	4.00	4.20
1906	4.10	4.35
1907	4.30	5.20
1908	4.35	5.27
1909	4.40	4.55
1910	4.40	4.70
1911	4.60	4.70
1912	4.50	4.85

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

BALTIMORE & OHIO RAILROAD

Southwestern Division First Mortgage Gold 3½s

Dated January 1, 1899

Maturing July 1, 1925

Interest payable at the company's office on coupon bonds January 1 and July 1.

Registered bonds January 1, April 1, July 1 and October 1.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples thereof.

Authorized \$45,000,000

Outstanding \$44,992,530

Per mile . . . 48,775

Security: The above bonds are secured by a deposit with the trustee of the entire issue, \$45,000,000, of the Baltimore & Ohio Southwestern Railroad First 3½s of 1925, and also the entire capital stock of that company, \$4,000,000. The First 3½s of 1925 are secured by a first mortgage on the company's entire mileage totalling 922.44 miles, thereby making the above bonds in effect a first mortgage on the Southwestern Division.

Trustee: Farmers' Loan & Trust Company, New York.

The Baltimore & Ohio Southwestern Railroad Company was organized in December, 1889, as the successor of the Cincinnati, Washington & Baltimore Railroad Company, whose property was sold under foreclosure in October, 1889. On November 1, 1893, this company and the Ohio & Mississippi Railway were consolidated into the Baltimore & Ohio Southwestern Railway Company. In 1898 the latter went into the hands of a receiver and under a plan of reorganization dated December 15 of that year was reorganized and consolidated with the Baltimore & Ohio Railroad Company in August, 1899. Since July 1, 1900, the Baltimore & Ohio Southwestern Railroad has been operated as the Southwestern Division of the Baltimore & Ohio System.

These bonds sold in 1902 on a 4.05 to 4.30 basis

1903	4.15	4.45
1904	3.92	4.45
1905	3.80	4.15
1906	3.98	4.30
1907	4.25	5.22
1908	4.05	4.90
1909	4.20	4.47
1910	4.27	4.50
1911	4.30	4.50
1912	4.37	4.70

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

BALTIMORE & OHIO RAILROAD

Pittsburgh, Lake Erie & West Virginia System Refunding Mortgage Gold 4s

Dated November 1, 1901

Maturing November 1, 1941

Interest payable May 1 and November 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$75,000,000

Outstanding \$43,372,000
Per mile . . . 26,235

Provisions of issue: In addition to the \$43,372,000 outstanding in the hands of the public, \$31,609,600 are reserved to acquire additional prior lien bonds to be deposited under the mortgage, and \$18,400 are held in the treasury.

Security: The above bonds are a direct obligation of the Baltimore & Ohio Railroad and are secured by first and second collateral liens on securities covering 1,653.07 miles of road and terminals, leaseholds, equipment and future acquisitions, as follows: (1) a first collateral lien on \$24,772,900 of the \$47,275,000 bonds, and \$53,801,240 of the \$54,484,345 stocks of nineteen railroads covering 1,283.32 miles; (2) a deposit with the trustee of \$8,660,550 of the Baltimore & Ohio-Pittsburgh Junction & Middle Division First $3\frac{1}{8}$ s of 1925; (3) a second collateral lien on the securities and property covered by the first collateral lien of the Baltimore & Ohio-Pittsburgh Junction & Middle Division First $3\frac{1}{8}$ s of 1925.

Redemption: The above bonds are redeemable, beginning November 1, 1925, at par on any interest date on three months' notice.

Trustee: Union Trust Company, New York.

In 1901, for the purpose of consolidating and refunding the bonded indebtedness of the roads acquired in that year, namely, the Cleveland, Lorain & Wheeling Railroad, the Ohio River Roads, the Ohio & Little Kanawha Railroad, the West Virginia Short Line Railroad, the Pittsburgh & Western System, the Cleveland Terminal & Valley Railroad, the Monongahela River Railroad, the West Virginia & Pittsburgh Railroad, as well as to retire the Pittsburgh Junction & Middle Division bonds, and to provide for improvements, equipment, etc., there was authorized by a resolution adopted November 14 of that year, the above issue, to be known as the Pittsburgh, Lake Erie & West Virginia System Refunding Mortgage bonds.

These bonds sold in 1902 on a 3.95 to 4.32 basis		
1903	4.125	4.35
1904	3.97	4.40
1905	4.00	4.10
1906	4.02	4.35
1907	4.22	5.05
1908	4.17	4.80
1909	4.22	4.45
1910	4.40	4.70
1911	4.45	4.65
1912	4.50	4.75

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

BALTIMORE & OHIO RAILROAD

3-Year 4½% Secured Gold Notes

Dated June 1, 1910

Maturing June 1, 1913

Interest payable June 1 and December 1 at the company's office, 2 Wall Street, New York,
or at London, Berlin, Frankfort-on-the-Main or Hamburg.

Coupon notes of \$1,000, \$5,000 and \$10,000.

Authorized \$50,000,000

Outstanding \$50,000,000

Security: The above notes are a direct obligation of the Baltimore & Ohio Railroad Company. They are secured by a deposit with the trustee of (1) \$6,000,000 of the \$28,000,000 Reading Company First Preferred stocks; (2) \$14,000,000 of the \$42,000,000 Reading Second Preferred stocks; (3) \$10,000,000 of the \$70,000,000 Reading Company common stocks; (4) \$28,000,000 (total amount issued of the \$50,000,000 authorized) Baltimore & Ohio Chicago Terminal First 4% bonds which cover the freight and passenger terminals of the company in Chicago and approximately 101 miles of railroad lines, 84 miles being owned in fee and the remainder held under permanent lease.

It is provided by the indenture that the railroad company "shall have the right at any time, by payment to the trustee of a specified amount of the notes, to receive from the trustee such proportionate amount of each class of the securities hereunder, as the face amount of the notes so paid and cancelled bears to the total issue, \$50,000,000. The railroad company shall also have the right to withdraw all or any portion of the securities deposited hereunder, upon substitution therefor of other securities approved by the trustees as equal in value to the securities to be withdrawn."

Redemption: The above notes are redeemable, upon sixty days' notice, on any interest date at par.

Trustee: United States Mortgage & Trust Company, New York.

The proceeds of \$40,000,000 of these notes were used for improvements and betterments and for the purchase of a large amount of equipment. \$10,000,000 were issued to retire a like amount of notes which matured March 10, 1911.

These notes were quoted in 1910 on a 4.72 basis (bid)

1911	4.50
July, 1912	4.15

PITTSBURGH & CONNELLSVILLE RAILROAD

First Mortgage Currency 4s

Dated May 25, 1868

Maturing July 1, 1946

Interest payable January 1 and July 1 at the office of the Baltimore & Ohio Railroad
Company, 2 Wall Street, New York.

Coupon bonds of \$1,000.

Authorized \$4,000,000

Outstanding \$4,000
Per mile . . . 23

The above issue was dated May 25, 1868, to run thirty years, with an interest rate of 7%, but was extended to July 1, 1946, and the interest rate reduced to 4%.

Provisions of issue:	Of the total amount authorized, \$3,996,000 have been deposited under the Baltimore & Ohio Prior Lien $3\frac{1}{8}$ s of 1925, leaving the balance, \$4,000, outstanding as above.
Security:	The above bonds are secured by a first mortgage on 146.39 miles of road, from Mt. Savage Junction, Md., to Pittsburg, Pa., also on equipment and future acquisitions.
Equity:	These bonds are prior in lien to the £1,352,000 Pittsburgh & Connellsville 6s of 1926 and the \$10,000,000 Second 5s of 1925. Both of these issues, as well as \$3,996,000 of the First Mortgage Currency 4s of 1946, are deposited with the trustee of the Baltimore & Ohio Prior Lien $3\frac{1}{8}$ s of 1925.

The Pittsburgh & Connellsville Railroad, extending from Pittsburg, to Mt. Savage Junction, was chartered on April 2, 1837. On April 18, 1853, authority was given to extend the line to Cumberland, Maryland, the line being opened throughout in April, 1870. The road was leased for 50 years from January 1, 1876, (with the option of renewal) to the Baltimore & Ohio Railroad Company, which owns \$1,825,114 of the total \$1,944,653 capital stock and all bonds except the outstanding \$56,000 of the above issue.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

SCHUYLKILL RIVER EAST SIDE RAILROAD

First Mortgage Gold 4s

Dated December 1, 1903

Maturing June 1, 1925

Interest payable June 1 and December 1, at 518 Walnut Street, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$5,000,000

Outstanding \$5,000,000

Security: The above bonds are secured by a first mortgage on about 11 miles of road in and near Philadelphia; on about 56 miles of second, third and fourth track and sidings, together with connection with the Reading Railway; on branches; on the Schuylkill Bridge; on other terminal and dock property; and on future acquisitions.

They are GUARANTEED as to PRINCIPAL and INTEREST by the Baltimore & Ohio Railroad Company by endorsement.

Trustee: The Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia.

The Schuylkill River East Side Railroad was chartered July 14, 1883. On May 19, 1886, it was consolidated with the Philadelphia, Newton & Chester Railroad under the name of the former. Authority was granted by the city councils to build a line of railroad through the City of Philadelphia, and the work was completed on December 2, 1886. Connection was made with the Philadelphia & Reading Railroad, and the first through train to New York was run over the tracks of the Reading and Jersey Central Companies on December 15, 1886.

The road was built from the sale of \$4,500,000 first mortgage $5\frac{1}{2}$ % 40-year bonds due December 1, 1925, which were guaranteed by the Baltimore & Ohio Railroad Company. On December 1, 1903, that company exercised its right to purchase these bonds, and issued instead \$5,000,000 bonds maturing June 1, 1925, but bearing interest at 4%.

The Schuylkill River East Side Railroad is one of the controlled roads of the Baltimore & Ohio, which owns its entire capital stock, one-half being deposited under the First Mortgage 4s of 1948 and the remainder held in the treasury.

These bonds sold in 1903 on a 4.00 to 4.10 basis

1904	3.65	4.01
1905	3.50	3.70
1906	3.57	3.75
1907	3.70	4.00
1908	3.92	4.02
1909	3.87	(bid)
1910	3.90	4.02
1911	4.00	(bid)
December, 1912	4.05	(bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CENTRAL OHIO RAILROAD

Consolidated First Mortgage Gold 4½%

Dated August 30, 1886

Maturing September 1, 1930

Interest payable March 1 and September 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000.

Authorized \$2,500,000

Outstanding \$1,009,000
Per mile . . . 8,340

Provisions of issue: In addition to the \$1,009,000 bonds outstanding, \$1,491,000 are deposited under the Baltimore & Ohio-Pittsburgh Junction & Middle Division 3½% of 1925.

Security: The above issue is secured by a first mortgage on the company's line from Bellaire to Columbus, Ohio, a distance of 120.69 miles, including an undivided half interest (16.56 miles) in the 33 miles between Newark and Columbus. The other half interest is owned by the Pittsburgh, Cincinnati, Chicago & St. Louis Railway. Pittsburgh, Lake Erie & West Virginia Refunding 4% of 1911 are reserved to acquire the outstanding bonds of this issue.

Trustee: Mercantile Trust & Deposit Company, Baltimore.

The Central Ohio Railroad was chartered February 8, 1847, and the road was opened for business in 1854. Four years later it was placed in the hands of a receiver and on November 1, 1865, it was reorganized. In November, 1866, an agreement was made with the Baltimore & Ohio Railroad Company by which the road was to be operated for twenty years. On February 23, 1880, the lease was extended until December 1, 1926, subject to perpetual lease thereafter in periods of twenty years, at the option of the Baltimore & Ohio Railroad Company.

These bonds sold in 1903 on a 4.00 basis

1904	3.90
1905	3.90 to 4.00
1906	3.90
1909	4.28
1910	4.48 (bid)
1911	4.42 (bid)
December, 1912	4.50

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

PITTSBURGH JUNCTION RAILROAD

First Mortgage Gold 6s

Dated July 5, 1882

Maturing July 1, 1922

Interest payable January 1 and July 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,440,000

Outstanding \$934,000

Per mile . . 144,360

Provisions of issue: Besides the amount outstanding, as above, there have been deposited under the Baltimore & Ohio-Pittsburgh Junction & Middle Division First Mortgage $3\frac{1}{2}$ s of 1925, \$481,000 of these bonds, and under the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System Refunding 4s of 1941, \$25,000.

Security: The above bonds are secured by a first mortgage on the company's line from Willow Grove, to Laughlin, Pa., and from 36th Street to 9th Street, Pittsburg, Pa., 6.57 miles, together with 22 miles of extra main track and sidings, all in or near Pittsburg. The above bonds upon maturity, if not before, will be refunded by the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System Refunding 4s of 1941, a sufficient number of which have been reserved for this purpose.

Trustee: Bankers Trust Company, New York.

The Pittsburgh Junction Railroad, which was chartered in August, 1881, is controlled by the Baltimore & Ohio Railroad Company through ownership, at the present time, of all the preferred and all but \$30,250 of the \$1,475,000 common stock of the company. By the terms of a traffic agreement with the Pittsburgh Junction Railroad, the Baltimore & Ohio Railroad as lessee of the Pittsburgh & Connellsville Railroad and the Pittsburgh & Western Railroad Companies agrees to furnish freight business to the former up to at least \$240,000 gross per annum. The earnings of the Pittsburgh Junction Railroad have been included in those of the Baltimore & Ohio Company since 1902.

These bonds sold in 1903 on a 4.25 to 4.65 basis

1904	4.23	4.45
1909	4.47	(bid)
1910	4.68	(bid)
1911	4.60	(bid)
December, 1912	4.50	(bid)

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

PITTSBURGH JUNCTION RAILROAD

Second Mortgage Gold 5s

Dated April 2, 1894

Maturing July 1, 1922

Interest payable January 1 and July 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$300,000

Outstanding \$243,000

Provisions of issue: Besides the amount outstanding, as above, \$57,000 have been deposited under the Pittsburgh Junction & Middle Division First Mortgage $3\frac{1}{2}$ s of 1925, and the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System Refunding 4s of 1941.

Security: The above bonds are secured by a second mortgage on the terminal property in or near Pittsburgh which is covered by the first lien of the First Mortgage 6s of 1922. The above bonds, upon maturity, if not before, will be refunded by the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System Refunding 4s of 1941, a sufficient number of which have been reserved for this purpose.

Trustee: Bankers Trust Company.

These bonds sold in 1902 on a 4.72 to 4.85 basis

1909 4.80 (bid)

1910 5.22 (bid)

1911 6.25 (bid)

December, 1912 6.25 (bid)

PITTSBURGH & WESTERN RAILWAY

First Consolidated Mortgage Gold 4s

Dated July 1, 1887

Maturing July 1, 1917

Interest payable January 1 and July 1 at the office of J. P. Morgan & Co., New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$650,000

Per mile . . . 3,090

Provisions of issue: The above issue has been limited by the terms of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941, to \$9,700,000, of which \$9,050,000 have been deposited already under it, leaving a balance outstanding of \$650,000 as above.

Security: The above bonds are secured by a direct mortgage on 210.63 miles of the company's road, together with appurtenances, equipment, and future acquisitions. The bonds are secured by a first mortgage on 180.63 miles of road, including the line from Rock Point to New Castle, Pa., and by a second mortgage on 30 miles of road from Etna to Zelenople, Pa. Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941, in sufficient number, have been reserved to acquire the outstanding bonds of this issue.

Trustee: Bankers Trust Company, New York.

The Pittsburgh & Western Railway Company was a reorganization of the Pittsburgh & Western Railroad Company in 1887. In March, 1896, a receiver for the Railway was appointed and a decree

of foreclosure entered February 21, 1900. The company's property was sold under the foreclosure in 1901, and was reorganized as the Pittsburgh & Western Railroad Company, the entire capital stock of which is owned by the Baltimore & Ohio Railroad and deposited with the trustee of its West Virginia System First Refunding 4s of 1941.

These bonds sold in 1902 on a 3.77 to 4.00 basis

1903	3.95	4.20
1904	4.00	4.20
1905	4.00	4.25
1906	4.00	4.57
1907	4.75	5.50
1908	3.875	
1909	4.22	4.30
1910	4.60	(bid)
1911	4.45	4.50
1912	4.80	

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

PITTSBURGH, NEW CASTLE & LAKE ERIE RAILROAD

First Mortgage Extended Gold 4s

Dated June 1, 1878

Maturing June 1, 1917

Interest payable June 1 and December 1 at the First National Bank, Allegheny, Pa.

Coupon bonds of \$100, \$500 and \$1000.

Authorized \$225,000

Outstanding \$82,100
Per mile . . . 2,730

The date of maturity of the above issue was extended from June 1, 1898, to June 1, 1917, as above.

Provisions of issue: The above issue was limited by the terms of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941, to \$219,000, of which \$136,900 have already been deposited under it, leaving \$82,100 outstanding as above.

Security: The above bonds are secured by a first mortgage on 30 miles of road from Etna to Zelenople, Pa., and future acquisitions to the property. The bonds were ASSUMED by the Pittsburgh & Western Railway Company.

Equity: These bonds are prior in lien to the Pittsburgh & Western First Consolidated 4s of 1917 and to the Second 5s of 1941. A sufficient number of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to acquire the outstanding bonds of this issue.

The Pittsburgh, New Castle & Lake Erie Railroad Company was consolidated into the Pittsburgh & Western Railway, its bonds being assumed by the latter at that time. The Pittsburgh & Western Railway, as the result of its reorganization in 1901, came under the control of the Baltimore & Ohio Railroad by the purchase of its entire capital stock.

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

ELLWOOD SHORT LINE RAILROAD

First Mortgage Gold 5s

Dated January 1, 1892

Maturing January 1, 1922

Interest payable January 1 and July 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000.

Authorized \$300,000

Outstanding \$300,000

Per mile . . . 96,770

Security: The above bonds are secured by a first mortgage on 3.1 miles of the company's road from North Sewickley to Rocky Point, Pa., together with equipment.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Pittsburgh & Western Railway Company by endorsement.

A sufficient number of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to acquire these bonds.

Trustee: Guaranty Trust Company, New York.

The Ellwood Short Line Railroad was organized in the State of Pennsylvania, April 25, 1890, and the road was opened for traffic August 15, 1891. At that time it was leased to the Pittsburgh & Western Railway Company for 30 years. When the latter company went into the receiver's hands, the Ellwood Short Line Railroad was purchased by its receiver May 6, 1898. At the present time it is controlled by the Pittsburgh & Western Railway Company through ownership of its entire capital stock.

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

PITTSBURGH, CLEVELAND & TOLEDO RAILROAD

First Mortgage Gold 6s

Dated October 2, 1882

Maturing October 1, 1922

Interest payable April 1 and October 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,400,000

Outstanding \$441,000

Per mile . . . 7,220

Provisions of issue: Besides the amount outstanding, as above, there are \$1,959,000 of the above bonds deposited with the trustee of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941.

Security: The above bonds are secured by a first mortgage on 61.07 miles of road, equipment, and future acquisitions, including the company's road from Newcastle Junction, Pa., to Newton Falls, Ohio.

The above bonds are GUARANTEED as to INTEREST by the Pittsburgh & Western Railway and the Baltimore & Ohio Railroad Companies, JOINTLY and SEVERALLY by endorsement.

A sufficient number of the above-mentioned West Virginia System First Refunding 4s of 1941 have been reserved to retire the outstanding bonds of this issue.

Trustee: Central Trust Company, New York.

The Pittsburgh, Cleveland & Toledo Railroad Company was chartered June 5, 1882, under the laws of Ohio and Pennsylvania. The road was opened for traffic March 1, 1884, and was leased to the Pittsburgh & Western Railway Company for 99 years from July 15th of that year, the lessee guaranteeing the payment of the interest on the company's bonds. This guaranty was assumed by the Baltimore & Ohio Railroad Company under an agreement requiring the Pittsburgh & Western Railroad Company to pay the Central Trust Company of New York \$12,000 a month on account of rental, default to entail a forfeiture of the lease, etc. The entire capital stock of the Pittsburgh, Cleveland & Toledo Railroad is owned by the Baltimore & Ohio Railroad (which has operated the property as a part of its system since July 1, 1902), and deposited under the above-mentioned West Virginia System First Refunding Mortgage.

These bonds sold in 1904 on a 3.60 to 4.40 basis	
1909	4.875 (bid)
1910	4.52 (bid)
1911	4.45
1912	4.35

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

OHIO RIVER RAILROAD

First Mortgage Gold 5s

Dated June 1, 1886

Maturing June 1, 1936

Interest payable June 1 and December 1 at the company's office, 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized, \$2,000,000

Outstanding \$2,000,000

Per mile . . . 11,835

Security: The above bonds are secured by a first mortgage on the company's line from Deadwood, Ohio, to Point Pleasant, W. Va., 169 miles. They are also secured by a first mortgage on the equipment and future acquisitions of the line.

Equity: These bonds are prior in lien to the Ohio River Railroad General 5s of 1937. A sufficient number of Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia First Refunding 4s of 1941, have been reserved to retire this issue.

Trustee: Fidelity Trust Company, Philadelphia.

The Ohio River Railroad Company was chartered April 18, 1881, under the laws of West Virginia, and opened throughout in April, 1888. This company is controlled by the Baltimore & Ohio Railroad Company through the ownership of more than 99% of its capital stock, which is deposited under its West Virginia System First Refunding Mortgage. Since July 1, 1902, the road has been operated as a part of the Baltimore & Ohio Railroad System, and its earnings and expenses are included in the General Income Account.

These bonds sold in 1902 on a 4.22 to 4.27 basis

1903	4.18	4.22
1904	4.05	4.40
1905	3.95	
1906	4.07	4.20
1908	4.31	4.38
1909	4.15	4.25
1910	4.38	(bid)
1911	4.35	
1912	4.38	

These bonds are considered a legal investment for savings banks in Rhode Island.

OHIO RIVER RAILROAD

General Mortgage Gold 5s

Dated March 10, 1887

Maturing April 1, 1937

Interest payable April 1 and October 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$2,941,000
Per mile . . . 14,070

Provisions of issue: There remain at present \$59,000 of these bonds unissued, and by the terms of the Baltimore & Ohio West Virginia System First Refunding 4s of 1941, they will be deposited thereunder when and if issued.

Security: The above bonds are secured by a direct mortgage on 207.82 miles of road, together with appurtenances, equipment and future acquisitions. They are secured by a first mortgage on 38.82 miles of road, and a second mortgage on 169 miles, covered by the first lien of the Ohio River Railroad First 5s of 1936.

A sufficient number of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to retire the outstanding bonds of this issue.

Trustee: Fidelity Trust Company, Philadelphia.

For history see above.

These bonds sold in 1902 on a 4.40 to 4.55 basis

1904	4.25	4.38
1905	4.15	4.38
1906	4.15	4.40
1908	4.42	4.95
1909	4.25	4.50
1910	4.80	(bid)
1911	4.38	4.60
1912	4.62	

These bonds are considered a legal investment for savings banks in Rhode Island.

HUNTINGTON & BIG SANDY RAILROAD

First Mortgage Gold 6s

Dated July 1, 1892

Maturing July 1, 1922

Interest payable January 1 and July 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$400,000

Outstanding \$303,000
Per mile . . . 27,550

Provisions of issue: Besides the amount outstanding, as above, there are \$97,000 of these bonds deposited with the trustee of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941.

Security: The above bonds are secured by a first mortgage on 10.92 miles of road, including the line from Huntington to Kenova, W. Va. They are also secured by a first mortgage on all the equipment of the line and future acquisitions.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Ohio River Railroad Company by endorsement.

A sufficient number of the above-mentioned West Virginia System First Refunding 4s of 1941 have been reserved to retire the outstanding bonds of this issue.

Trustee: Provident Life & Trust Company, Philadelphia.

The Huntington & Big Sandy Railroad was chartered April 12, 1890, under the laws of West Virginia. The road was completed during 1892, and leased, in September of that year, to the Ohio River Railroad Company, which guaranteed by endorsement principal and interest on its bonds.

These bonds were quoted in 1910 on a 5.10 basis

1911	5.40
December, 1912	5.45

These bonds are considered a legal investment for savings banks in Rhode Island.

MONONGAHELA RIVER RAILROAD

First Mortgage Gold 5s

Dated February 1, 1899

Maturing February 1, 1919

Interest payable February 1 and August 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$700,000

Outstanding \$700,000
Per mile . . . 23,330

Security: The above bonds are secured by a first mortgage on the company's road from Clarksburg to Fairmount, W. Va., 30.24 miles, together with equipment and future acquisitions.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Baltimore & Ohio Railroad Company by endorsement.

A sufficient number of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to acquire this issue.

Trustee: Mercantile Trust & Deposit Company, Baltimore.

The Monongahela River Railroad was chartered September 28, 1888, and was opened for traffic August 4, 1890. The company is controlled by the Baltimore & Ohio Railroad Company through ownership of its entire capital stock, which has been pledged under the above-mentioned West Virginia System First Refunding Mortgage.

These bonds sold in 1902 on a 3.85 basis		
1904	4.50	
1905	4.20	
1907	4.38	
1909	4.57 to 4.87	
1910	3.25	3.80
1911	4.70	
1912	4.40	4.70

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

WEST VIRGINIA & PITTSBURGH RAILROAD

First Mortgage Gold 4s

Dated April 1, 1890

Maturing April 1, 1990

Interest payable April 1 and October 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,000,000

Outstanding \$3,973,000 (4s)
9,000 (5s)
Per mile . . . 22,500

In 1899 the interest rate of this bond issue was reduced from 5% to 4%. The 5s outstanding have been reduced to the amount mentioned above.

Provisions of issue: Besides the \$3,982,000 of these bonds in the hands of the public at the present time, there are \$18,000 of this issue deposited under the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941, a sufficient number of which have been reserved to acquire eventually the outstanding bonds of this issue.

Security: The above bonds are secured by a first mortgage on the company's lines, totalling 177.13 miles. They are also secured by a first mortgage on certain tracts of timber, coal and mineral lands in Pocahontas, Webster and Nicholas Counties, West Virginia, comprising 134,842 acres.

These bonds are GUARANTEED as to INTEREST under terms of lease by the Baltimore & Ohio Railroad Company. The payment of the *principal* was assumed by the latter company by the terms of an agreement stamped on the bonds at the time the interest rate was reduced from 5%.

Sinking Fund: The Baltimore & Ohio Railroad agrees to pay semi-annually to the trustee \$1,500, beginning October 1, 1895, to purchase these bonds up to 110, and interest. If not so purchasable at this price, the fund is to be invested in other securities, to be designated by the company. It is also agreed that the bonds so held shall be kept alive by the trustee and the interest thereon paid to the company.

Trustee: Mercantile Trust & Deposit Company, Baltimore.

The West Virginia & Pittsburgh Railroad Company was chartered February 6, 1890, under the laws of West Virginia, as a consolidation of the Clarksburg, Weston & Midland Railroad and the Buchannon River Railroad Companies. The company's lines were leased to the Baltimore & Ohio Railroad for 999 years from January 1, 1890. Its entire capital stock is also owned by the latter, and has been deposited under its West Virginia System First Refunding Mortgage.

These bonds were quoted in 1909 on a 4.20 basis

1910	4.20
1911	4.30
December, 1912	4.45

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

CLEVELAND TERMINAL & VALLEY RAILROAD

First Mortgage 4s

Dated October 29, 1895

Maturing November 1, 1995

Interest payable May 1 and November 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal, or fully registerable.

Authorized \$6,000,000

Outstanding \$3,301,000

Per mile . . . 37,940

Provisions of issue: Besides the amount outstanding, as above, \$2,699,000 of these bonds have been deposited under the mortgage of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941, a sufficient number of which have been reserved to retire the outstanding bonds of this issue.

Security: The above bonds are secured by a first mortgage on 86.8 miles of road including the line from Cleveland to Valley Junction, Ohio. They are also secured by a first mortgage on terminal realty, equipment and future acquisitions.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Baltimore & Ohio Railroad by endorsement.

Trustee: Bankers Trust Company, New York.

The Cleveland Terminal & Valley Railroad Company was chartered under the laws of Ohio, as successor to the Valley Railway Company, on October 3, 1895. The company is controlled by the Baltimore & Ohio Railroad Company through the ownership of practically all the capital stock, which has been deposited under its West Virginia System First Refunding Mortgage.

These bonds sold in 1902 at par (approximately)

1908 at 4.40
1909 4.25 (bid)
1910 4.25 (bid)
1911 4.30 (bid)
December, 1912 4.45 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CLEVELAND, LORAIN & WHEELING RAILWAY

Consolidated Mortgage Gold 5s

Dated November 24, 1893

Maturing October 1, 1933

Interest payable April 1 and October 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . . 26,040

Security: The above bonds are secured by a first mortgage on 191.55 miles of road, all in Ohio, and future acquisitions.

Equity: These bonds are prior in lien to the Cleveland, Lorain & Wheeling General 4s of 1936, and the Consolidated Refunding 4½s of 1930.

A sufficient number of Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to retire this issue.

Trustee: United States Mortgage & Trust Company, New York.

The Cleveland, Lorain & Wheeling Railway Company was chartered November 23, 1893, under the laws of Ohio as the consolidation of the Cleveland, Lorain & Wheeling Railroad and the Cleveland & Southwestern Railway Companies. The company's entire capital stock is owned by the Baltimore & Ohio Railroad and pledged under its West Virginia System First Refunding Mortgage. The property of the company is operated as an integral part of the Baltimore & Ohio System.

These bonds sold in 1902 on a 4.27 to 4.45 basis

1903	4.25	
1904	4.07	
1905	4.07 to 4.25	
1906	4.15	4.38
1909	4.10	4.30
1910	4.10	4.38
1911	4.20	4.25
1912	4.25	4.45

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

CLEVELAND, LORAIN & WHEELING RAILWAY

General Mortgage Gold 5s

Dated June 1, 1896

Maturing June 1, 1936

Interest payable June 1 and December 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$890,000

Per mile . . . 4,630

Provisions of issue: Of the amount authorized, \$893,000 have been issued. Of this amount \$890,000 are in the hands of the public, and \$3,000 have been deposited under the mortgage of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941. The unissued balance, if issued, will be deposited under the same mortgage, and a sufficient number of the above-mentioned West Virginia System 4s of 1941 have been reserved to retire this issue.

Security: The above bonds are secured by a second mortgage on the same property covered by the Cleveland, Lorain & Wheeling Railway First Consolidated 5s of 1933.

Redemption: These bonds are redeemable at 105 and interest upon 30 days' notice.

Trustee: New York Trust Company, New York.

These bonds are considered a legal investment for savings banks in Rhode Island.

CLEVELAND, LORAIN & WHEELING RAILWAY

Consolidated Refunding Mortgage Gold 4 $\frac{1}{2}$ s

Dated January 1, 1900

Maturing January 1, 1930

Interest payable January 1 and July 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$950,000

Per mile . . . 4,950

Provisions of issue: Of the amount authorized, \$4,000,000 of these bonds have been issued, of which \$950,000 are in the hands of the public, as above, and \$3,050,000 have been deposited under the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941. The unissued balance has been provided for by terms of the West Virginia System 4s of 1941, which makes this a closed mortgage.

Security: The above bonds are secured by a third mortgage on the same property covered by the Cleveland, Lorain & Wheeling Railway Consolidated 5s of 1933 and the General 5s of 1936.

Redemption: These bonds are redeemable at 102½ and interest upon 30 days' notice.

Equity: These bonds are prior to the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System 4s of 1941, a sufficient number of which have been reserved to retire this issue.

Trustee: Equitable Trust Company, New York.

These bonds were quoted in	1909	on a 4.55 basis
	1910	4.90
	1911	4.90
December, 1912	4.65	

These bonds are considered a legal investment for savings banks in Rhode Island.

OHIO & LITTLE KANAWHA RAILROAD

First Mortgage 5s

Dated March 1, 1900 Maturing March 1, 1950
Interest payable March 1 and September 1 at 2 Wall Street, New York.

Coupon bonds of \$100, \$500 and \$1,000.

Authorized \$250,000	Outstanding \$228,000
	Per mile . . . 3,170

Security: The above bonds are secured by a first mortgage on the company's road from Fair Oaks to West Marietta, Ohio, 72.04 miles, and the equipment of the line.

Redemption: These bonds are redeemable at 105 and interest upon 90 days' notice.

Refund: A sufficient number of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941 have been reserved to retire this issue.

Trustee: Knickerbocker Trust Company, New York.

The Ohio & Little Kanawha Railroad was chartered February 10, 1900, under the laws of West Virginia, as the successor to the Zanesville & Ohio Railway Company. A majority of its capital stock is owned by the Baltimore & Ohio Railroad Company and has been pledged under its West Virginia System First Refunding Mortgage. The property of the company is operated as an integral part of the Baltimore & Ohio System.

These bonds sold in 1903 on a	4.77 to 5.15 basis
1904	4.70 5.00
1905	4.72
1907	4.67 5.00
1908	4.80

These bonds are considered a legal investment for savings banks in Rhode Island.

RAVENSWOOD, SPENCER & GLENVILLE RAILWAY

First Mortgage Gold 6s

Dated August 1, 1890

Maturing August 1, 1920

Interest payable February 1 and August 1 at 2 Wall Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$400,000

Outstanding \$361,000

Per mile . . . 11,280

Provisions of issue: Of the total amount authorized, \$376,000 have been issued, of which \$361,000 are outstanding, as above, and \$15,000 have been deposited under the mortgage of the Baltimore & Ohio-Pittsburgh, Lake Erie & West Virginia System First Refunding 4s of 1941. The unissued balance, if issued, is to be deposited under the above mortgage, and a sufficient number of the West Virginia System First Refunding 4s of 1941 have been reserved to retire these outstanding bonds.

Security: The above bonds are secured by a first mortgage on the company's road from Ravenswood to Spencer, W. Va., 32.4 miles. They are also secured by a first mortgage on the equipment of the line and all future acquisitions.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Ohio River Railroad Company by endorsement.

Trustee: Fidelity Trust Company, Philadelphia.

The Ravenswood, Spencer & Glenville Railroad was chartered April 10, 1886, under the laws of West Virginia, and was opened for traffic on January 4, 1892. It is controlled by the Baltimore & Ohio Railroad Company through the ownership of a majority of the capital stock and is operated as a part of that company's system.

These bonds were bid in 1909 on a 4.80 basis

1910 4.90

1911 4.88

December, 1912 5.20

BALTIMORE & OHIO RAILROAD

Equipment Trust $4\frac{1}{2}\%$ Certificates

Dated February 1, 1912

Maturing February 1, 1913/1922

Interest payable February 1 and August 1 at 2 Wall Street, New York.

Coupon certificates of \$1,000, registerable as to principal or fully registerable.

Authorized \$10,000,000

Outstanding \$10,000,000

Security: The equipment trust agreement of this issue provides that the face amount of the certificates shall not at any time exceed 90% of the cost of equipment delivered to the trustee as security for the payment of principal and semi-annual dividend warrants. These certificates are secured by 120 consolidated locomotives, 30 Pacific type locomotives, 3,000 steel hopper cars, 2,000 steel coke cars, 2,000 steel underframe box cars, and 1,000 gondola cars. The Baltimore & Ohio agrees to lease and maintain the equipment and to pay as rental therefor an amount sufficient to pay the taxes, expenses, dividends and principal of the above certificates.

Trustee: Girard Trust Company, Philadelphia.

These certificates were underwritten in January, 1912, by Kuhn, Loeb & Company, and Speyer & Company, New York, and offered on about a $4\frac{3}{8}\%$ basis.

BANGOR & AROOSTOOK RAILROAD COMPANY

BANGOR & AROOSTOOK RAILROAD COMPANY

HISTORY

The Bangor & Aroostook Railroad Company was chartered under the laws of the State of Maine, March 5, 1891. The original line was opened for transportation from Bangor to Caribou and Fort Fairfield, Maine, on January 1, 1895. A branch from Ashland Junction to Ashland, 43 miles, was opened the following year. The Bangor & Piscataquis Railroad Company was purchased in April, 1899, and the Van Buren Extension of the Bangor & Aroostook System was opened in November of the same year.

Further additions to the system were negotiated for in 1900, and by 1902 the Aroostook Northern Railroad, the Bangor & Katahdin Iron Works Railway and the Patten & Sherman Railroad had been included in it. The Fish River Railroad also was opened for traffic on December 15, 1902. This railroad was operated under lease by the Bangor & Aroostook Railroad Company until July, 1903, when the latter bought outright its capital stock and assumed its obligations.

No more new extensions were made in the system until July, 1907, when the company purchased the common stocks of the Northern Maine Seaport Railroad and the Schoodic Stream Railroad. In December, 1907, the Medford Extension of the system was opened for traffic; in October, 1909, the St. John River Extension was completed, and on June 20, 1910, the Washburn Extension was commercially opened.

PROPERTY

On June 30, 1912, the Bangor & Aroostook System operated a total of 852.9 miles, of which 624.84 miles were main track. The main line of the system, 155.13 miles, extends from Brownville, to Caribou, Maine. Many important branches and extensions connect with this main line; notably those to Greenville, Oldtown, Katahdin Iron Works, Patten, Ashland, Fort Kent, St. Francis, Van Buren, Limestone and Fort Fairfield.

CAPITALIZATION

At the close of the company's fiscal year, June 30, 1912, the capital account of the road stood as follows:

Common stock	\$3,198,600
Bonded debt	22,798,000
Equipment trust obligations	935,000
Miscellaneous funded obligations	728,000
Net capitalization	\$27,659,600
Net capital per mile	\$43,834
Average miles operated	630.52
Net income to net capital	4.9%
Fixed charges to net income	95.2%
Margin of safety	4.8%

The above net capitalization, \$27,659,600, is that of the railroad proper, and brings the total net capital per mile of road owned outstanding up to \$43,834, as compared with the Maine Central's figure of \$47,802. The Bangor & Aroostook Railroad has no leased lines and, consequently, no rental charges.

During the decade ending 1912, the capital stock of the Bangor & Aroostook Railroad received three important additions: one in 1906 when \$500,000 of new stock was issued for the purchase of the Fish River Railroad, one in 1908, when \$960,000 of new stock was issued to purchase the Northern Maine Seaport Railroad and the Schoodic Stream Railroad, and for new construction and equipment, and another during 1910-1911, when \$688,600 was issued to finance the St. John River Extension and the Washburn Extension.

During the decade the bonded debt of the company outstanding per mile increased more than 100%, and is at present over seven times the outstanding common stock. In fact, of the total net capital of the system, over 80% is represented by this account. To correspond with these capital increases, the average miles under operation during the decade ending 1912 increased from 401 to 631, or 57%.

CHARACTER OF TRAFFIC

Geographically, the Bangor & Aroostook System lies in one of the richest farming and lumber districts of New England. The largest single agricultural commodity which it transports is potatoes; lumber, in the group of forest products, being a close second. Fully 75% of the total traffic of the system is freight, and 60% of this freight traffic consists of potatoes and forest products. In fact, the earning power of the railroad depends to no small degree upon the potato crop of Aroostook County and a successful lumbering season. Below is a statement, in tons, of commodities carried in the years 1907 to 1912 inclusive:

Products of	1912 Tons	1911 Tons	1910 Tons	1909 Tons	1908 Tons	1907 Tons
Agriculture . . .	467,884	420,635	364,870	435,492	259,693	451,196
Animals	11,696	13,709	16,649	17,506	16,081	23,960
Mines	222,244	185,486	185,621	139,249	175,850	128,886
Forests	721,199	667,580	662,183	553,455	587,272	539,173
Manufactures	285,196	294,262	313,018	253,094	270,164	218,629
Miscellaneous	86,494	86,234	70,326	64,823	180,442	267,695
Total tons . . .	1,794,413	1,667,906	1,612,667	1,463,619	1,489,502	1,629,539

Although the passenger business, which represents less than 25% of the total traffic of the system, is of secondary importance, a word ought to be said about it at this time. In 1907 more passengers were carried than at any time in the history of the road. In 1908 and 1909 the figures dropped off, but recovered sharply in 1910. In the fiscal year of 1912 a new high record was set when over 778,000 people were carried over the company's lines. The passenger earnings were very naturally reflected in the number of passengers carried, since the average rate per passenger per mile has remained very nearly stationary since 1907.

Below are some of the more salient passenger statistics of the system for the years 1907 to 1912 inclusive:

Year	Total passenger revenue	Total passengers carried	Average revenue per passenger	Average rate per mile
1907	\$615,908	701,536	\$.877	\$.0240
1908	597,993	697,518	.857	.0238
1909	560,446	627,775	.892	.0235
1910	638,143	743,707	.858	.0237
1911	626,845	760,825	.823	.0235
1912	631,264	778,567	.811	.0226

EARNINGS

During the decade ending December 30, 1912, the earnings of the Bangor & Aroostook System increased satisfactorily. The steady and substantial growth in population, manufactures and agriculture, which has characterized the State of Maine, should be reflected in increased revenue from year to year. In 1890, one year before the railroad was organized, the population of Aroostook County was about 45,000. This had increased to 75,000 by the census of 1910, while the assessed value of the county, which was \$11,000,000 in 1890, has grown to over \$37,000,000 today.

Following is a comparative statement of the gross and net earnings of the system, also figured on the basis of miles operated, from 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	481.5	\$3,221,696	\$6,684	\$1,088,401	\$2,258
1908	500.7	2,844,082	5,677	1,044,261	2,084
1909	514.7	2,916,815	5,664	1,127,649	2,190
1910	529.9	2,990,529	5,642	1,205,239	2,274
1911	618.1	3,173,111	5,134	1,169,339	1,893
1912	630.5	3,345,241	5,301	1,196,568	1,897

MAINTENANCE AND IMPROVEMENTS

It has always been the policy of the company to keep its maintenance charges on par with requirements, rather than impair the working efficiency of the road by permitting continued depreciation of property. Since 1905 maintenance charges have consumed an average of 27% of the gross earnings of the system, as compared with 25% for the Boston & Maine, and 31% for the Maine Central Systems.

Below is a statement of the amounts spent for additions and betterments from 1907 to 1912 inclusive, and also the accounts against which they were charged:

Year	Betterments charged to Income	Capital	Total
1907	\$89,625	\$336,950	\$436,575
1908		1,338,635	1,338,635
1909		276,695	276,695
1910		496,076	496,076
1911	104,910	663,872	768,782
1912		383,405	383,405
	<hr/> \$204,535	<hr/> \$3,495,633	<hr/> \$3,700,168
		204,535	
		<hr/> \$3,700,168	

Compiled from the annual reports of the company, we find the following statistics concerning maintenance of way:

	1912	1911	1910	1909	1908	1907
Tons of steel rails laid (85 lbs. per yd.) . . .	48	2,386	5,177	2,669	1,812	2,707
New ties laid	138,163	175,526	102,812	79,767	96,668	93,634
Cubic yards ballast . . .	9,923	88,598	13,535		63,208	157,145
Steel tie plates laid . . .	3,000	130,350	75,000		169,100	141,210

Another item of importance which should be noted is the replacing of wooden culverts with those of iron and concrete construction. Since 1907, 197 of these have been replaced, 150 with iron and 47 with concrete. At present the main lines of the system are equipped practically throughout with iron and concrete bridges, while 613.03 miles of road are now laid with 85 and 70 pound steel rails, enabling it to bear heavier traffic.

DIVIDENDS

The Bangor & Aroostook Railroad began paying dividends in 1904, when 3% was declared upon outstanding capital stock. In 1905 the dividend was increased to 3½%, and from 1906 to 1912 4% was paid. The annual surpluses of the system since 1907, after deducting dividends and betterment charges were as follows:

1907	\$124,825	1910	\$85,018
1908	9,880	1911	38,052
1909	43,075	1912	64,387 *

STATISTICS

On the following page are given capitalization, earnings and traffic statistics of the Bangor & Aroostook Railroad, based on the average miles operated, for the year 1900, and for the years 1905 to 1912 inclusive:

* Deficit.

BANGOR & AROOSTOOK RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross and net capital	Average miles operated	Extra main track
1900	\$6,319	\$17,609	\$1,170	\$25,098	364	..
1905	3,603	27,037	....	30,640	428	..
1906	3,400	33,919	....	37,319	455	..
1907	3,222	36,602	....	39,824	482	..
1908	5,010	40,008	....	45,018	501	31
1909	4,874	38,835	....	43,709	515	31
1910	5,668	42,443	....	48,111	530	31
1911	5,175	37,689	....	42,864	618	31
1912	5,069	38,765	....	43,834	631	30

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$3,373	\$609	\$243	\$1,189	\$1,334	\$7	\$1,341	\$979	\$362
1905	5,041	775	486	1,953	1,827	17	1,844	1,305	539
1906	5,487	860	463	2,072	2,092	29	2,121	1,462	659
1907	6,684	1,145	714	2,567	2,258	5	2,263	1,648	615
1908	5,677	856	543	2,193	2,084	...	2,084	1,871	213
1909	5,664	937	630	1,907	2,190	...	2,190	1,911	279
1910	5,642	843	634	1,890	2,274	326	2,600	1,937	663
1911	5,134	814	596	1,831	1,893	288	2,181	1,018	263
1912	5,301	873	550	1,981	1,897	238	2,135	2,034	101

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock	Per cent freight to all traffic
1900	...	\$218	\$144	60.4%	25.4	35.0%	29.1%	13.4%	5.8%	5.7%	70%
1905	\$127	245	167	63.7	25.0	38.7	25.8	16.4	6.0	14.9	76
1906	137	354	168	61.8	24.2	37.6	26.6	14.7	5.7	18.1	75
1907	149	206	260	60.5	31.1	38.4	24.6	16.9	5.7	19.0	78
1908	194	...	19	68.7	30.1	38.6	32.8	12.6	4.7	4.3	73
1909	195	...	84	63.4	29.7	33.7	33.7	12.9	5.0	5.9	72
1910	196	305	162	59.7	24.2	35.5	34.3	11.7	5.4	11.6	78
1911	201	...	62	63.1	27.5	35.6	37.4	11.9	5.0	5.1	75
1912	203	...	102*	64.2	26.9	37.3	38.3	12.1	4.9	2.0	76

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile Way Equipment	Conducting transportation per revenue train mile	Train mile earnings (net)	Rates per mile Freight Passenger	Freight density	Train load revenue tons	Passenger, freight and company cars
1900	....	....	....	....	....	....	157,999	1,815
1905	\$1.61	\$2.48	\$1.55	\$1.623	\$1.022	\$1.0246	284,955	3,360
1906	1.72	.290	.146	.631	.653	.0119	321,385	191
1907	1.92	.344	.214	.770	.592	.0119	408,165	221
1908	1.95	.319	.202	.817	.612	.0116	319,363	211
1909	2.21	.379	.254	.770	.807	.0117	352,384	237
1910	2.18	.325	.244	.738	.883	.0115	360,825	259
1911	2.03	.322	.236	.725	.737	.0116	331,377	255
1912	2.01	.332	.208	.753	.717	.0112	357,187	255

634 miles are covered by first mortgages.

* Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Bangor & Aroostook System, together with the bases upon which they have sold during the decade ending December 31, 1912:

BANGOR & AROOSTOOK RAILROAD COMPANY

First Mortgage Gold 5s

Dated January 1, 1893

Maturing January 1, 1943

Interest payable January 1 and July 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$3,360,000

Outstanding \$3,360,000

Per mile . . . 15,840

Security: The above bonds are secured by a first mortgage on 212.17 miles of road as follows: Brownville to Caribou, 154.95 miles; Ashland Junction to Ashland, 43.92 miles; Fort Fairfield Junction to Fort Fairfield, 13.30 miles, all in Maine. The bonds are further secured by a first mortgage on all the equipment of the road and future acquisitions.

Equity: These bonds are prior in lien to \$112,000 Bangor & Aroostook Second 5s of 1945, and to the Bangor & Aroostook Consolidated and Refunding 4s of 1951, a sufficient number of the latter being reserved to refund or purchase this issue.

Trustee: Guaranty Trust Company, New York.

These bonds were quoted in 1909 on a 4.35 basis (bid)

1910 4.78 (bid)

1911 4.60 (bid)

December, 1912 4.55 (bid)

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

BANGOR & AROOSTOOK RAILROAD COMPANY

Piscataquis Division

First Mortgage Gold 5s

Dated April 1, 1899

Maturing January 1, 1943

Interest payable April 1 and October 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$1,500,000

Outstanding \$1,500,000

Per mile . . . 19,730

Security: The above bonds are secured by a first mortgage on 76 miles of road from Oldtown to Greenville, Me. They are further secured by a first mortgage on the equipment of the line and all future acquisitions.

Equity: These bonds are prior in lien to the Bangor & Aroostook Consolidated Refunding 4s of 1951, a sufficient number of the latter being reserved to refund or purchase this issue.

These bonds were quoted in 1909 on a 4.65 basis (bid)

1910 4.58 to 5.35 (bid)

1911 4.80 (bid)

December, 1912 4.75 (bid)

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

BANGOR & AROOSTOOK RAILROAD COMPANY

Van Buren Extension

First Mortgage Gold 5s

Dated April 1, 1899

Maturing January 1, 1943

Interest payable April 1 and October 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 15,100

Security: The above bonds are secured by a first mortgage on 33.11 miles from Caribou to Van Buren, Me. They are further secured by a first mortgage on the equipment of the line and all future acquisitions.

Equity: These bonds are prior in lien to the Bangor & Aroostook Consolidated Refunding 4s of 1951, a sufficient number of the latter being reserved to refund or purchase this issue.

Trustee: Guaranty Trust Company, New York.

These bonds were quoted in 1909 on a 4.70 basis (bid)

1910 4.70 to 5.35 (bid)

1911 4.87 (bid)

December, 1912 4.87 (bid)

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

BANGOR & AROOSTOOK RAILROAD COMPANY

Medford Extension

First Mortgage Gold 5s

Dated May 1, 1907

Maturing May 1, 1937

Interest payable May 1 and November 1 at Brown Bros. & Company, New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 35,780

Security: The above bonds are a first mortgage on 27.95 miles from South Lagrange to Packard's, Me., at a point in connection with the main line of the Bangor & Aroostook Railroad near Sebouis Lake. They are further secured by any future acquisitions.

Trustee: The United States Trust Company, New York.

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

AROOSTOOK NORTHERN RAILROAD COMPANY

First Mortgage Gold 5s

Dated October 1, 1897

Maturing October 1, 1947

Interest payable April 1 and October 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$225,000

Outstanding \$225,000

Per mile . . . 14,310

Security: These bonds are secured by a first mortgage on the Aroostook Northern Railroad Company's line from Caribou to Limestone, Me., 15.72 miles. They are further secured by a first mortgage on the equipment of the line and future acquisitions.

These bonds were ASSUMED by the Bangor & Aroostook Railroad Company. They are prior in lien to the Bangor & Aroostook Consolidated Refunding 4s of 1951, a sufficient number of the latter being reserved to refund or purchase this issue.

Trustee: Guaranty Trust Company, New York.

The Aroostook Northern Railroad Company was chartered under the laws of the State of Maine in July, 1897. It was commercially opened for service in December of that year. From November 27, 1897, it was leased for 999 years to the Bangor & Aroostook Railroad Company at a yearly rental equal to the interest on the outstanding bonds and \$51 for organization expenses. On July 1, 1901, it was consolidated into the Bangor & Aroostook System.

These bonds were quoted in 1909 on a 4.60 basis (bid)
1910 4.95 (bid)

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

NORTHERN MAINE SEAPORT RAILROAD COMPANY

Railroad and Terminal First Mortgage Gold 5s

Dated April 1, 1905

Maturing April 1, 1935

Interest payable April 1 and October 1 at United States Mortgage & Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$5,000,000

Outstanding \$4,720,000

Per mile . . . 82,800

Provisions of issue: \$280,000 of these bonds are reserved for extensions and equipment under the restriction of the mortgage.

Security: The above bonds are a first mortgage on the Northern Maine Seaport Railroad Company's lines, totalling 57.01 miles, as follows: from South Lagrange to Seaport, Me., and from Cape Jellison Junction to Wharf, and Northern Maine Junction. These bonds are further secured by a first mortgage on the equipment of the line and future acquisitions.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Bangor & Aroostook Railroad Company, by endorsement.

Trustee: United States Mortgage & Trust Company, New York.

The Northern Maine Seaport Railroad Company was chartered under the laws of the State of Maine, December 1, 1904, and the road was commercially opened for service in November, 1905. From November 21, 1905, it was leased for 999 years by the Bangor & Aroostook Railroad Company, which also owns the entire capital stock, at an annual rental which includes interest on the bonds outstanding and expenses of maintenance and operation.

These bonds were quoted in 1909 on a 4.72 basis (bid)

1910	4.95
1911	4.75
December, 1912	5.00

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

BANGOR & AROOSTOOK RAILROAD COMPANY

Consolidated Refunding Gold 4s

Dated July 1, 1901

Maturing July 1, 1951

Interest payable January 1 and July 1 at Brown Brothers, New York, and Lee, Higginson & Co., Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$20,000,000

Outstanding \$7,931,000
Per mile . . . 18,570

Provisions of issue: The indenture provides that \$12,500,000 of the authorized amount of this issue shall be reserved to purchase or refund underlying securities, \$3,000,000 shall be reserved to pay the cost of acquiring additional property to the existing railroad and for providing improvements upon and equipment of those roads up to \$250,000 per annum, and \$4,500,000 shall be reserved for extensions to the existing railroad at not exceeding \$25,000 a mile.

Security: The above bonds are secured by a direct mortgage on 426.87 miles of railroad as follows: (1) A first mortgage on 99.40 miles all in Maine; (2) a second mortgage on 124.83 miles; (3) a third mortgage on 212.17 miles.

Equity: These bonds are subject to the following issues: \$3,360,000 First 5s of 1943; \$112,000 Second 5s of 1945; \$1,500,000 Piscataquis Division First 5s of 1943; \$500,000 Van Buren Extension First 5s of 1943; and \$225,000 Aroostook Northern First 5s of 1947. As these issues mature they may be refunded by these bonds.

Trustee: Old Colony Trust Company, Boston.

These bonds were quoted in 1906 on a 4.27 basis

1908	5.15
1909	4.95
1910	5.20
1911	5.20
December, 1912	5.20

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD COMPANY

Second Mortgage Gold 5s

Dated February 27, 1895

Maturing July 1, 1945

Interest payable January 1 and July 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$1,050,000

Outstanding \$112,000
Per mile . . . 530

Provisions of issue: Of the total amount authorized, \$112,000 are outstanding as above, and the balance, \$938,000, have been purchased by the trustee of the Bangor & Aroostook Consolidated Refunding 4s of 1951.

Security: The above bonds are secured by a second mortgage on the same property covered by the first lien of the First Mortgage Gold 5s of 1943, 212.7 miles. (For description see that issue.)

Equity: The above bonds are subject to the \$3,360,000 First Mortgage Gold 5s of 1943. They are prior in lien to the Consolidated Refunding Gold 4s of 1951, a sufficient number of which have been reserved to refund or purchase this issue.

Trustee: United States Mortgage & Trust Company, New York.

These bonds were quoted in 1909 on a 4.87 basis (bid)
1910 5.00 (bid)

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD COMPANY

Washburn Extension First 5s

Dated August 1, 1909

Maturing August 1, 1939

Interest payable February 1 and August 1 at Central Trust Company, New York, and at Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$1,650,000

Outstanding \$1,650,000
Per mile . . . 30,000

Security: The above bonds are secured by a first mortgage on the Ashland Branch of the Bangor & Aroostook Railroad from Squa Pan to Stockholm, and the branch from Mapleton to Presque Isle, all in Maine, 54.98 miles.

Trustee: Central Trust Company, New York.

These bonds were quoted in 1910 on a 5.10 basis (bid)
1911 5.25
1912 5.40

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD COMPANY

St. John River Extension First Mortgage 5s

Dated August 1, 1909

Maturing August 1, 1939

Interest payable February 1 and August 1 at Central Trust Company, New York, and at Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$1,800,000

Outstanding \$1,800,000

Per mile . . . 30,000

Security: The above bonds are secured by a first mortgage on the road from Van Buren by way of Grand Isle and Fort Kent to St. Francis, 60 miles, all in Maine. It is also a first mortgage on the yards, buildings, turn tables and equipment of the line.

Trustee: Central Trust Company, New York.

These first mortgage bonds are a direct obligation of the Bangor & Aroostook Railroad Company. The road is built almost entirely with 70-pound rails and steel bridges, and is opening up a great agricultural and lumber producing country, which before this time had practically no transportation facilities.

These bonds were quoted in December, 1912, on a 5.35 basis

These bonds are considered a legal investment for savings banks in Maine.

AROOSTOOK COUNTY

Gold 4½s

Dated July 1, 1895

Maturing July 1, 1915

Interest payable January 1 and July 1 at the office of the Bangor & Aroostook Railroad Company, Bangor.

Coupon bonds of \$1,000

Authorized \$228,000

Outstanding \$228,000

Security: These bonds were issued by Aroostook County, Me., in aid of the construction of the Bangor & Aroostook Railroad. They are secured by a deposit with the trustee of a like amount of its Consolidated Refunding 4s of 1951.

These bonds have been ASSUMED by the Bangor & Aroostook Railroad Company.

Trustee: Old Colony Trust Company, Boston.

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD

5% Equipment Trust Certificates Series "C"

Dated June 1, 1906

Maturing \$45,000 each
December 1 and June 1
to June 1, 1916

Interest payable June 1 and December 1 at Brown Brothers & Company, New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$900,000

Outstanding \$360,000

Provisions of issue: Of the \$900,000 authorized, \$360,000 are outstanding as above, and \$540,000 had been redeemed to June 1, 1912.

Security: The above certificates were issued by the trustee and are secured by 510 box cars and 635 flat cars costing \$1,000,903. The title to the equipment does not revert to the company until all these obligations have been paid.

The certificates are GUARANTEED as to PRINCIPAL and INTEREST by the Bangor & Aroostook Railroad Company.

Trustee: Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia.

These certificates were offered in 1906 on a 4.80 basis

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD

5% Equipment Trust Certificates Series "D"

Dated April 1, 1907

Maturing \$45,000 each
April 1 and October 1
to April 1, 1917

Interest payable April 1 and October 1 at Brown Brothers & Company, New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$900,000

Outstanding \$405,000

Provisions of issue: Of the total amount authorized, \$405,000 are outstanding as above and \$495,000 had been redeemed to October 1, 1912.

Security: The above certificates were issued by the trustee, and are secured by 700 box cars, 300 flat cars, 40 stock cars and 6 caboose cars costing \$1,000,000. The title to this equipment does not revert to the railroad company until all these obligations have been paid.

The certificates are GUARANTEED as to PRINCIPAL and INTEREST by the Bangor & Aroostook Railroad Company.

Trustee: Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia.

These certificates were offered in 1907 on a 5.50 basis.

These bonds are considered a legal investment for savings banks in Maine.

BANGOR & AROOSTOOK RAILROAD

**5% Equipment Trust Certificates
Series "E"**

Dated October 1, 1911

Maturing October 1, 1912-1916

Interest payable April 1 and October 1 at Brown Brothers & Company, New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Issued \$125,000

Outstanding \$125,000

Security: The above certificates were issued by the trustee and are secured by 2 gas electric motor cars and 6 locomotives. The title to this equipment does not revert to the company until all these obligations have been paid.

The certificates are GUARANTEED as to PRINCIPAL and INTEREST by the Bangor & Aroostook Railroad Company.

Trustee: Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia.

These bonds are considered legal investments for savings banks in Maine.

BOSTON & MAINE RAILROAD COMPANY

BOSTON & MAINE RAILROAD COMPANY

HISTORY

The Boston & Maine Railroad was incorporated in 1835 under the laws of the State of New Hampshire, in 1841 under the laws of the Commonwealth of Massachusetts, and in 1843 under the laws of the State of Maine, as the result of a consolidation, January 1, 1842, of the Boston & Portland Railroad of Massachusetts, the Boston & Maine Railroad of New Hampshire and the Maine, New Hampshire & Massachusetts Railroad of Maine. Three years later the Boston & Maine Extension Railroad was acquired.

The present Boston & Maine System represents the consolidation, on the 9th of May, 1890, of the Boston & Maine Railroad, the Eastern Railroad Company and the Portsmouth, Great Falls & Conway Railroad Company. Just prior to this, control of the Boston & Lowell Railroad, the Nashua & Lowell Railroad and several smaller lines was acquired by lease. The Concord & Montreal Railroad and its dependencies were leased to the Boston & Maine for 91 years from April 1, 1895. In 1899 it absorbed the Eastern Railroad of New Hampshire and the Portsmouth & Dover Railroad; in 1900, the Portland, Saco & Portsmouth Railroad and the Portland & Rochester Railroad.

In that same year (1900) the Boston & Maine began to operate, under a 99-year lease, the Fitchburg Railroad and leased lines, aggregating 457 miles of road, and in 1901 the company purchased the capital stock of the Central Massachusetts Railroad. In addition to this the Boston & Maine Railroad owns \$5,043,696 par value, or 51%, of the \$9,979,700 capital stock of the Maine Central Railroad, which operated, June 30, 1912, 1,204.08 miles of road.

In June, 1911, its company purchased the property of the Worcester, Nashua & Rochester Railroad Company, heretofore operated under a lease, and assumed its funded obligations. By June 30, 1912, the Boston & Maine controlled 30,630 of the 30,644 shares of the above company outstanding. On July 1, 1911, the company sold its property in Portland and Westbrook, Maine, to the Portland Terminal Company for \$2,581,568.

PROPERTY

The extent of the system's mileage has been indicated above. In 1912 a total of 2,291.02 miles of main track were operated, of which 46.80 miles were electric street railways. Of the 2,244.22 miles of steam railway operated, 707.33 miles were owned in fee and 1,536.89 miles were lines of leased roads.

The bulk of the system lies in Massachusetts and New Hampshire, about one-half of it in the latter State. Of the total mileage, 589.11 miles, or about 22% of the entire system, is double track. The main lines extend from Boston, Massachusetts, to Portland, Maine (via two divisions); Springfield, Massachusetts; Sherbrooke, Canada; Rotterdam Junction and Troy, New York. These main lines are connected at the above points by many branches.

CAPITALIZATION

On June 30, 1912, the capital account of the Boston & Maine Railroad stood as follows:

Preferred stock	\$3,149,800
Common stock	39,505,390
Total stock	\$42,655,190
Bonded debt	43,849,000*
Nominal capital	\$86,504,190
Rentals capitalized @ 5%	103,540,000
Gross capitalization	\$190,044,190
Securities owned	12,500,685
Net capitalization	\$177,543,505
Net capital per mile operated	\$79.119
Average miles operated	2,241.22
Net income to net capital	6.6%
Fixed charges to net income	89.0%
Margin of safety	11.0%

As may be seen by the foregoing, the capitalization of the Boston & Maine proper, excluding the item of rentals, amounted in 1912 to \$86,500,000, or an average of \$122,348 per mile owned in fee. In point of fact the Boston & Maine System is a collection of small properties, most of which have been gained by leases and moulded together into an operating unit. The rental payments for the fiscal year of 1912 amounted to \$5,176,879 — almost three times the interest on its nominal debt. This charge, capitalized at 5%, brings the total gross capitalization up to \$190,000,000 or about \$85,000 per mile of road operated.

The margin of safety figure is of utmost importance to security holders. Of the fixed charges, which used up 89% of the total net income, fully one-half are represented by rentals paid, which include fixed dividends on the stocks of the leased roads, and guaranteed interest on their outstanding funded debts.

On account of the increased charge for the use of freight equipment agreed upon by the American Railway Association, effective January 1, 1913, the stockholders of the company approved on October 7, 1912, an issue of \$7,500,000 Twenty-year 4½% Bonds to purchase new equipment, pay for additional improvements which should be capitalized, and refund First Mortgage Bonds of the Worcester, Nashua & Rochester Railroad Company, maturing January 1, 1913, also an issue of 106,637 additional shares of common stock. In February, 1913, the approval of the Railroad Commissioners of Massachusetts was granted for both issues, and pending a favorable market, it is expected that the bonds will be offered to the public.

CHARACTER OF TRAFFIC

Through the growth in population and wealth of the cities which it serves, the traffic of the system has risen steadily. To be sure, this growth of traffic received a temporary set back during the two years which followed the disturbances of 1907. This was evidenced by the traffic records of the system during the years 1908 and 1909. By 1910, however, the manufacturing and other

* In addition, the company had \$12,000,000 notes payable on June 30, 1912.

commercial industries of New England that are served by the company's lines were more than ordinarily active and prosperous. In that year the gross volume of tons carried increased nearly 2,500,000 and still further increases have been recorded since, as is shown in the table below:

Products of	1912 Tons	1911 Tons	1910 Tons	1909 Tons	1908 Tons
Agriculture	3,719,467	3,292,104	2,979,023	3,080,786	2,412,366
Animals	1,004,927	929,971	1,044,721	1,050,966	961,184
Mines	6,258,516	5,813,916	5,966,008	5,300,839	6,022,560
Forests	2,995,216	3,149,176	3,334,577	2,731,885	2,767,554
Manufactures	4,444,828	4,305,846	4,659,081	3,801,572	3,479,566
Miscellaneous	5,272,033	5,573,288	4,832,118	4,448,266	4,492,623
Total tons	23,694,987	23,064,301	22,815,528	20,414,314	20,135,853

Not only did the volume of freight carried increase markedly during 1910 and 1911, but the volume of passenger business increased as well. Nearly 5,000,000 more people travelled during 1910 than in 1909, and over 1,300,000 more used the company's lines in 1911 than in 1910, while the gain in 1912 over 1911 was about 620,000. This significant increase was due very considerably to the influx of vacationists to northern New England. From year to year the problem of transporting these summer tourists has become one of growing importance.

In 1912 the passenger business of the system amounted to \$15,693,675, or 33% of gross earnings from operation. This figure is over \$2,200,000 greater than in 1908, an increase of 16%. Below is a comparative statement of the salient passenger statistics of the system for the years 1908 to 1912 inclusive:

Year	Total passengers carried	Total passenger revenue	Average revenue per passenger	Average rate per mile
1908	43,214,995	\$13,537,387	\$.313	.0171
1909	42,836,742	13,451,751	.314	.0170
1910	47,365,852	14,655,065	.309	.0169
1911	48,666,086	15,524,431	.319	.0180
1912	49,284,076	15,693,675	.318	.0178

EARNINGS

Since the addition of the Fitchburg Railroad in 1900, the mileage of the system has increased but slightly, while gross earnings have increased more than 107%. The gross earnings per mile have increased from \$12,643 in 1900, to \$20,495 in 1912. Gross earnings in 1912 were the best the company has yet shown.

The net earnings of the system, however, have been erratic. Having increased from over \$6,500,000 in 1900 to over \$10,000,000 in 1907, they received a set back in 1908. The business depression which followed the panic of 1907 made itself felt upon the Boston & Maine. It was found impossible to bring the scale of operating expenses at once into accord with the reduced income; hence, a considerable reduction in net earnings. In 1910 net earnings had increased to over \$12,000,000, but the fiscal year of 1911 showed a considerable falling off from that high figure. This was due primarily to large increases in the wage account of the company. Had the company been able to maintain the wage item at the 1910 figures, the net revenue applicable to dividends would have been increased by \$2,468,457.*

Gross and net earnings are shown in detail by the following table for the year 1900 and for the years 1906 to 1912 inclusive:

* Seventy-eighth Annual Report of the Boston & Maine Railroad for the year ending June 30, 1911, page 7.

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1900	1,752	\$22,148,602	\$12,643	\$6,543,584	\$3,736
1906	2,287	39,214,202	17,146	9,860,834	4,311
1907	2,288	41,125,256	17,974	10,156,859	4,439
1908	2,242	38,990,749	17,391	9,636,552	4,301
1909	2,243	39,528,698	17,623	11,264,843	5,024
1910	2,243	43,357,175	19,330	12,020,851	5,359
1911	2,243	44,815,084	19,979	9,666,381	4,309
1912	2,243	45,990,364	20,495	10,903,068	4,868

MAINTENANCE

In spite of the fact that the Boston & Maine was facing an increase of wages during the fiscal year of 1911, the management decided to sacrifice surplus earnings still further by lifting the standard of upkeep above that which formerly prevailed. Never, before 1910, had \$10,000,000 been spent in any single fiscal year on the Boston & Maine's maintenance. Yet on top of this record-breaking sum spent in that year, there was a still further increase in 1911 of over \$1,600,000, or 15%, as is shown by the following table:

Year	Maintenance of way	Maintenance of equipment	Total maintenance	Per mile
1908	\$4,756,446	\$4,760,812	\$9,517,258	\$4,159
1909	4,251,565	4,730,778	8,982,343	3,924
1910	5,253,611	5,446,734	10,700,345	4,770
1911	6,066,120	6,248,435	12,314,555	5,490
1912	5,823,545	6,411,596	12,235,141	5,452

ADDITIONS AND BETTERMENTS

More remarkable than the maintenance record of the Boston & Maine for the last four years, has been the showing made in additions and betterments. Since 1908 \$27,700,000 has been spent in this way and more than half of it has been used for purchasing the latest kinds of equipment. In 1909 the amount expended was comparatively small. 1910 showed twice as large an outlay, while during 1911 nearly five times the amount spent in 1909 was thus expended. Below is a statement of the amount spent in additions and betterments from 1908 to 1912 inclusive:

Year	Equipment	Other betterments	Total betterments	Net expenditure for betterments
1908	\$4,815,831	\$1,303,046	\$6,118,877	\$5,948,394
1909	1,115,291	1,124,454	2,239,745	1,582,691
1910	2,535,235	2,362,105	4,897,340	4,776,394
1911	6,206,922	4,786,937	10,993,859	10,993,859
1912	996,102	2,354,878	3,350,980	957,445
			<u>\$27,700,304</u>	<u>\$24,258,783</u>

Below is a statement of the various accounts against which the above-named betterments were charged during the years in question:

Year	Charged to		Income	Net expenditure for betterments
	Capital	Leased roads		
1908	\$5,867,857	.....	\$80,536	\$5,948,394
1909	949,308	\$592,284	41,099	1,582,691
1910	3,108,437	1,469,116	198,841	4,776,394
1911	8,511,737	2,482,122	.....	10,993,859
1912	501,698	1,459,142	.....	957,445
	<u>\$17,935,647</u>	<u>\$6,002,664</u>	<u>\$320,476</u>	<u>\$24,258,783</u>

As will be seen by the foregoing, about 75% of the total net expenditure for betterments was charged to the capital account. These charges appear on the balance sheets of the railroad as follows: In 1908, to offset the amount charged to capital, notes payable were increased over \$7,000,000. In 1909, \$11,000,000 in notes payable were wiped out by a \$12,000,000 increase in the funded debt; the difference, \$1,000,000, going into betterments. In 1910, notes payable were increased by \$4,000,000 to offset the above-noted improvements for that year. In 1911, the capital stock of the company was increased nearly \$10,000,000 and notes payable nearly \$2,000,000, the two offsetting in part the purchase of the Worcester, Nashua & Rochester Railroad and the improvements charged to the capital account for the year.

Early in May, 1911, the expensive task of electrifying the Hoosac Tunnel was completed. About 22 miles, measured as single track, were thus equipped, thereby measurably increasing the traffic capacity of the Fitchburg Division, which, under old conditions, had reached its limit. A well-equipped round house and repair shop were included in this electrification.

The work of eliminating highway grade crossings has been going on steadily for the last few years and is proving an expensive, although necessary, task. During 1912, \$630,812 was thus expended. The total net expenditure for this work on the Boston & Maine Railroad and leased lines to June 30, 1912, has been \$5,948,904.

Another important item under this heading is the work of installing block signals, which has been pushed so that now all the main lines of the system are completely equipped with these safety devices. The prosecution of this important work had cost the company \$1,338,597 to June 30, 1912. Besides this, new and better stations are being built, freight terminals are being enlarged, extensive repair shops are in process of construction at Billerica, Massachusetts. All the station telegraph offices from which train orders are issued have been equipped with train order signals of semaphore pattern, grades have been reduced, and rigid economy is being practiced in all the operating departments.

DIVIDENDS

Since 1886, the full 6% has been paid on the preferred stock, and the following rates have been paid on the common stock:

Year	Rate	Year	Rate
1886	9 1/2%	1892	8%
1887	10	1893	4
1888-9	9	1894-9	6
1890	9 1/2	1900-9	7
1891	9	1910	6
		1911	5 1/2
		1912	4%

The largest dividend was in 1887, when 10% was paid. Since then it has almost steadily decreased. The reason for this decline in dividends seems to be due in a large measure to the annual rental charges which the system is required to meet. There are probably cases where the high rate

of interest guaranteed has been greater than the earnings of the road in question, resulting in a loss to the Boston & Maine itself. It is apparent that if some of these onerous charges could be lightened, the road might be able to return to a more substantial dividend basis.

Through its ownership of a majority of the capital stock of the Boston Railroad Holding Company, which in turn owns a majority of the capital stock of the Boston & Maine Railroad, the New York, New Haven & Hartford Railroad has control of the Boston & Maine System. As a result of the recent traffic agreement entered into with the New York Central & Hudson River Railroad for the use of its Boston & Albany Lines, practically the entire transportation of New England is being handled under one centralized management.

Many economies have been found possible in the system's operation — economies which it is claimed will not be at the expense of service. According to the company's report for the fiscal year of 1912 the rehabilitation of the property, the addition to its shop plants, its equipment and stations will require at least two years to complete, and in the meantime the operation of the same is likely to be more or less unsatisfactory to both the management and its patrons.

STATISTICS

On the following page are given the capitalization, earnings, and traffic statistics of the Boston & Maine Railroad, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive.

In the following tables, "premiums realized on capital stock" have not been included in the amount of capital stock outstanding per mile as per balance sheet. Gross earnings include both transportation revenue and revenue from sources other than transportation, such as station privileges, storage, telegraph service, and rents. The net revenue from outside operations has been included in the item of "other income," and where deficits from outside operations have occurred, they have been deducted from "total net income" as a fixed charge.

BOSTON & MAINE RAILROAD

Fiscal year	Preferred stock	Common stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$1,797	\$12,501	\$12,514	\$36,759	\$63,571	\$3,498	\$60,073	1,752	321
1905	1,377	10,768	13,725	44,301	70,171	4,635	65,476	2,288	522
1906	1,377	10,773	13,689	44,379	70,109	4,606	65,603	2,287	521
1907	1,377	12,182	13,324	44,685	71,568	4,415	67,153	2,288	522
1908	1,404	12,598	13,547	46,226	73,775	4,506	69,269	2,242	560
1909	1,404	12,604	18,756	46,759	79,523	4,503	75,020	2,243	564
1910	1,404	12,859	18,757	46,954	79,974	5,180	74,794	2,243	564
1911	1,404	17,318	19,549	48,016	86,317	3,944	82,373	2,243	570
1912	1,404	17,605	19,540	46,140	84,689	5,570	79,119	2,244	600

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$12,643	\$1,710	\$3,473 *	\$3,724	\$3,736	\$408	\$4,144	\$3,180	\$964
1905	15,827	1,966	1,838	7,830	4,193	256	4,449	3,624	825
1906	17,146	2,354	1,931	8,550	4,311	272	4,583	3,686	897
1907	17,974	2,144	1,882	9,309	4,439	307	4,746	3,611	1,135
1908	17,391	2,121	2,122	8,847	4,301	338	4,639	4,300	339
1909	17,623	1,894	2,109	8,596	5,024	313	5,337	4,270	1,067
1910	19,330	2,342	2,428	9,201	5,359	352	5,711	4,440	1,271
1911	19,979	2,704	2,786	10,180	4,309	414	4,723	4,365	158
1912	20,495	2,595	2,857	10,185	4,858	445	5,303	4,729	574

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to net capital	Net income to net capital	Per cent earned on capital stock	
										Preferred	Common
1900	\$863	....	\$101	70.45%	41.1%	29.3%	25.2%	19.8%	6.8%	53.6%	6.8%
1905	790	....	36	73.51	24.1	49.4	23.0	22.5	6.7	59.8	6.8
1906	802	....	95	74.85	24.8	50.0	21.5	24.3	7.0	65.1	7.5
1907	862	\$215	58	75.30	22.4	52.9	20.0	25.0	7.0	82.2	8.6
1908	929	....	500 †	75.28	24.5	50.8	24.7	23.5	6.7	23.8	2.0
1909	810	18	239	71.50	22.8	48.7	24.2	22.2	7.1	75.8	7.8
1910	832	89	350	72.27	24.7	47.6	25.0	24.1	7.6	90.7	9.2
1911	873	....	715 †	78.43	27.5	50.9	23.8	23.1	5.7	11.2	0.4
1912	787	....	213 †	76.29	26.6	49.6	23.7	24.2	6.6	40.9	2.7

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.66	\$.225	\$.458	\$.491	\$.492	\$.0173	\$.0144	475,122	161	54%	13,795
1905	1.81	.224	.209	.893	.478	.0175	.0115	810,371	214	60	19,513
1906	1.86	.255	.209	.928	.468	.0177	.0116	879,999	214	60	20,484
1907	1.84	.220	.193	.975	.455	.0175	.0108	1,003,920	229	61	23,038
1908	1.82	.222	.222	.927	.450	.0171	.0104	960,137	237	59	26,740
1909	1.92	.206	.229	.936	.546	.0170	.0108	947,347	240	59	27,710
1910	1.99	.241	.250	.946	.551	.0169	.0108	1,046,119	247	59	28,020
1911	2.02	.273	.281	1.028	.435	.0180	.0109	1,054,412	247	58	29,360
1912	2.15	.272	.300	1.069	.509	.0178	.0109	1,096,658	265	58	28,843

* This exceptional figure is explained by the fact that new equipment was charged to this account, also the cost of fitting equipment with air brakes, etc.
† Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Boston & Maine System, together with the bases on which they have sold during the decade ending December 31, 1912.

BOSTON & MAINE RAILROAD

The total bonded debt outstanding of the Boston & Maine Railroad proper on June 30, 1912, was \$43,849,000. \$2,776,000 represented the amount secured by a first mortgage on 118.95 miles, making the total outstanding bonded debt secured by mortgage \$23,325 per mile. Subject to the above \$2,776,000 first mortgage bonds, there are at present outstanding the sum of \$41,073,000 of plain bonds, which are unsecured. On the basis of miles owned in fee, the amount of these unsecured bonds outstanding is \$58,095.

The Massachusetts laws provide, however, that no mortgage issue can be placed on the property of the railroad owned without equally securing the present outstanding unsecured bonds mentioned above, and although they are not secured by mortgage, the bonds are strongly rated as investments.

1. Sinking Fund Improvement 4s

Dated February 1, 1887

Maturing February 1, 1937

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000.

Listed on the Boston Stock Exchange

Outstanding \$1,919,000

Sinking fund: $1\frac{1}{2}\%$ of the bonds outstanding is annually paid in cash to the trustee of the sinking fund, the Boston Safe Deposit & Trust Company, to be invested in approved securities. On June 30, 1912, the amount thus invested in the sinking fund was \$1,098,281.

These bonds sold in 1906 on a 3.25 basis

1909	4.05 (bid)
1910	4.20 (asked)
1911	4.40 (bid)
December, 1912	4.65 (bid)

2. Plain 4s

Dated August 1, 1892

Maturing August 1, 1942

Interest payable February 1 and August 1 at Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$5,000.

Listed on the Boston Stock Exchange

Outstanding \$2,500,000

These bonds were quoted in 1909 on a 4.05 basis (bid)

1910	4.20 (asked)
1911	4.37 (bid)
December, 1912	4.65

3. Plain Gold $4\frac{1}{2}\%$ s

Dated January 1, 1894

Maturing January 1, 1944

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Listed on the Boston Stock Exchange

Outstanding \$6,000,000

These bonds sold in 1902 on a 3.37 basis	
1904	3.65 to 3.75
1909	4.15 (bid)
1910	4.27 (bid)
1911	4.40 (bid)
December, 1912	4.65 (bid)

4. Plain Gold 3s

Dated July 2, 1900

Maturing July 1, 1950

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Not listed

Outstanding \$3,434,000

This issue is secured by a deposit of an equal amount par value of Fitchburg Railroad Company stock — 21% of amount outstanding.

These bonds sold in 1910 on a 4.30 to 4.45 basis	
1911	4.37 4.45
December, 1912	4.75 (bid)

5. Plain 3½s

Dated November 1, 1901

Maturing November 1, 1921

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Not listed

Outstanding \$1,000,000

These bonds were quoted in 1909 on a 4.25 basis (bid)	
1910	4.40
1911	4.50
December, 1912	4.75

6. Plain 3½s

Dated January 1, 1903

Maturing January 1, 1923

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Not listed

Outstanding \$2,000,000

These bonds were quoted in 1909 on a 4.20 basis (bid)	
1910	4.20 (asked)
1911	4.40 (bid)
December, 1912	4.65

7. Plain 3½s

Dated February 2, 1905

Maturing February 2, 1925

Interest payable February 2 and August 2 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Not listed

Outstanding \$300,000

8. Plain 4s

Dated September 1, 1906

Maturing September 1, 1926

Interest payable March 1 and September 1 at Company's office, Boston.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000 and multiples.

Not listed

Outstanding \$10,000,000

These bonds were quoted in 1909 on a $4\frac{1}{2}$ basis (bid)

1910	4.35
1911	4.45
December, 1912	4.75

9. Plain $4\frac{1}{2}$ s

Dated April 1, 1909

Maturing April 1, 1929

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Not listed

Outstanding \$11,700,000

These bonds were quoted in 1909 on a 4.20 basis (bid)

1910	4.30
1911	4.45
December, 1912	4.75

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

PORTSMOUTH, GREAT FALLS & CONWAY RAILROAD

First Mortgage Currency $4\frac{1}{2}$ s

Dated June 1, 1877

Maturing June 1, 1937

Interest payable June 1 and December 1 at New York and Boston.

Coupon bonds of \$500 and \$1,000.

Listed on the Boston Stock Exchange.
Authorized \$1,000,000

Outstanding \$1,000,000
Per mile . . . 13,700

Security: The above bonds are secured by a first mortgage on the Portsmouth, Great Falls & Conway Railroad from Jewett, Me., to North Conway, N. H., 72.86 miles. They are also secured by a first mortgage on all the equipment of the company and future acquisitions.

These bonds were ASSUMED by the BOSTON & MAINE RAILROAD in 1890.

Property: The Portsmouth, Great Falls & Conway Railroad (now a part of the Boston & Maine Railroad proper) operates 85.63 miles of track between Conway Junction, Me., and North Conway, N. H. It was chartered June 30, 1865, as the result of a consolidation between the Great

Falls & Conway Railroad and the Great Falls & South Berwick Railroad. The line to Conway was built by the consolidated company and completed June 3, 1872. It was leased in 1871 to the Eastern Railroad of New Hampshire for 60 years, and was leased again from October 1, 1878, for 60 years under the Eastern (Massachusetts) Railroad Company.

On May 9, 1890, the Portsmouth, Great Falls & Conway Railroad Company, together with the Eastern Railroad Company of Massachusetts, was consolidated with the Boston & Maine Railroad. In the consolidation, holders of the Portsmouth, Great Falls & Conway stock received \$83.28 in new stock for every \$100 turned in, and all bonds of the railroad outstanding were assumed by the Boston & Maine.

These bonds sold in 1902 on a 3.35 to 3.45 basis

1904	3.75
1906	3.87
1909	4.15 (bid)
1910	4.20 (bid)
1911	4.30 (bid)
December, 1912	4.60 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

WORCESTER, NASHUA & ROCHESTER RAILROAD

First Mortgage 4s

Dated (a) \$150,000 January 1, 1906
 (b) \$735,000 January 1, 1890
 (c) \$511,000 January 1, 1893
 (d) \$380,000 October 1, 1894

Maturing (a) January 1, 1935
 (b) January 1, 1930
 (c) January 1, 1913
 (d) October 1, 1934

Interest payable *a*, *b* and *c* January 1 and July 1;
d April 1 and October 1, at American Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,789,000

Outstanding \$1,776,000
 Per mile . . . 37,780

Security: The above bonds are secured by a first mortgage on the Worcester, Nashua & Rochester Railroad Company's line from Worcester, Mass., to Nashua, N. H., 47.0 miles. It is also secured by a first mortgage on the equipment of that line.

These bonds were ASSUMED by the BOSTON & MAINE RAILROAD COMPANY under terms of its lease.

The Worcester, Nashua & Rochester Railroad was chartered December 1, 1883, under the laws of Massachusetts, as the result of a consolidation of the Worcester & Nashua Railroad Company and the Nashua & Rochester Railroad Company. On January 1, 1886, the company was leased to the Boston & Maine Railroad for fifty years, at an annual rental of \$250,000. With the approval of the Railroad Commission of Massachusetts, and of a large majority of the stockholders of both companies, the purchase of the franchises and property of the Worcester, Nashua & Rochester Railroad by the Boston & Maine Railroad was consummated in June, 1911.

The 4s of 1930 sold in 1909 on a 4.07 basis		
1910	4.07	to 4.22
1911	4.15	4.22
December, 1912	4.55	(bid)
The 4s of 1934 sold in 1910 on a 4.07 to 4.20 basis		
1911	4.12	4.20
December, 1912	4.50	(bid)

These bonds are considered a legal investment for savings banks in Maine, Vermont, Massachusetts, Connecticut and Rhode Island.

BOSTON & LOWELL RAILROAD

The Boston & Lowell Railroad proper, on June 30, 1912, had under operation a total of 111.27 miles, all unmortgaged, as follows: from Boston to Lowell, 26 miles; Reformatory, Concord, to Lexington, 11 miles; Tewksbury to Peabody, 17 miles; Lowell to Lawrence, 12 miles; and other branches aggregating 45 miles, all in Massachusetts.

In April, 1887, the Boston & Lowell Railroad was leased to the Boston & Maine Railroad Company for 99 years, the rental being 7% on the stock for the first ten years and 8% thereafter, INTEREST on the bonds also being GUARANTEED.

The total funded debt of the road outstanding is \$6,528,000, all of which is unsecured. On a per mile basis the amount of these unsecured bonds outstanding is \$58,800. The statutes of Massachusetts forbid the company from executing any mortgage on its property without equally securing these bonds.

1. Plain 4s

Dated April 1, 1892

Maturing April 1, 1932

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Listed on the Boston Stock Exchange

Outstanding \$1,000,000

These bonds sold in 1910 on a 3.60 to 4.20 basis

1911	4.10	4.18
December, 1912	4.50	(bid)

Listed on the Boston Stock Exchange

Outstanding \$1,000,000

2. Plain 4s

Dated March 1, 1895

Maturing March 1, 1915

Interest payable March 1 and September 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Listed on the Boston Stock Exchange

Outstanding \$500,000

These bonds sold in 1910 on a 4.22 to 4.40 basis
1911 4.30 4.45
December, 1912 4.45 (bid)

3. Plain 4s

Dated July 1, 1896

Maturing July 1, 1916

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Listed on the Boston Stock Exchange

Outstanding \$750,000

These bonds sold in 1910 on a 4.20 to 4.35 basis
1911 4.22 4.40
December, 1912 4.50 (bid)

4. Plain 4s

Dated October 1, 1897

Maturing October 1, 1917

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$200,000

5. Plain 4s

Dated October 1, 1898

Maturing October 1, 1918

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$214,000

These bonds sold in 1910 on a 4 $\frac{1}{8}$ to 4 $\frac{1}{4}$ basis
1911 4.20 4.30
December, 1912 4.65 (bid)

6. Plain 3 $\frac{1}{2}$ s

Dated July 1, 1899

Maturing July 1, 1919

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$620,000

These bonds were sold in 1909 on a 4.15 basis (bid)
1910 4.25 to 4.30
1911 4.25 4 $\frac{3}{8}$
December, 1912 4.45 (bid)

7. Plain 3½s

Dated January 1, 1901

Maturing January 1, 1921

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$319,000

8. Plain 3½s

Dated May 1, 1903

Maturing May 1, 1923

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$250,000

9. Plain 3½s

Dated September 1, 1905

Maturing September 1, 1925

Interest payable March 1 and September 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$500,000

10. Plain 4s

Dated November 1, 1906

Maturing November 1, 1926

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$500,000

11. Plain 4s

Dated July 1, 1907

Maturing July 1, 1927

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$325,000

12. Plain 4s

Dated April 1, 1909

Maturing April 1, 1929

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal only or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Not listed

Outstanding \$350,000

13. Refunding 4 $\frac{1}{2}$ %s

Dated February 1, 1913

Maturing February 1, 1933

Interest payable February 1 and August 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$25,000.

Outstanding \$1,000,000

These bonds are considered a legal investment for savings banks in Maine, Massachusetts, Connecticut and Rhode Island.

NEWPORT & RICHFORD RAILROAD

First Mortgage 5s

Dated January 1, 1911

Maturing January 1, 1941

Interest payable January 1 and July 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$350,000

Outstanding \$350,000

Per mile . . . 15,900

Security: The above bonds are secured by a first mortgage on 22 miles of the company's road from Newport, Vt., to the Canadian boundary line, via Richford.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Connecticut & Passumpsic Rivers Railroad Company. They are GUARANTEED, also, as to INTEREST jointly and severally by the Boston & Lowell Railroad and the Boston & Maine Railroad Companies.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Newport & Richford Railroad Company was incorporated in 1880 under the laws of Vermont as the result of a reorganization of the Missisquoi & Clyde Railroad Company. In June, 1881, it was leased for 99 years to the Montreal & Atlantic Railway Company at an annual rental of \$18,000. The entire capital stock of the Newport & Richford Railroad Company is owned by the Connecticut & Passumpsic Rivers Railroad Company, which was leased for 99 years from 1887 to the Boston & Lowell Railroad Company.

These bonds were sold in October, 1911, at 111 $\frac{3}{4}$ and interest
They were quoted in December, 1912, on a 4.37 basis (asked)

CONCORD & CLAREMONT (N. H.) RAILROAD

First Mortgage $4\frac{1}{2}\%$ s

Dated January, 1904

Maturing January 1, 1914

Interest payable January 1 and July 1 at the First National Bank, Boston.

Coupon bonds of \$1,000.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 7,000

Security: The above bonds are secured by a first mortgage on the company's line from Concord to Claremont Junction, N. H., and a branch from Contoocook to Hillsboro, totalling 70.9 miles.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST jointly and severally by the Boston & Lowell and the Boston & Maine Railroad Companies.

The Concord & Claremont Railroad was incorporated, October 31, 1873, under the laws of New Hampshire, as the consolidation of the Merrimac & Connecticut Rivers, the Sugar River, and the Contoocook River Railroad Companies. The Concord & Claremont Railroad is controlled by the Northern Railroad Company, but has been operated by special agreement since January 1, 1890, by the Boston & Maine Railroad Company, which pays the interest on the above bonds.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Massachusetts.

PETERBOROUGH & HILLSBOROUGH RAILROAD

First Mortgage Currency $4\frac{1}{2}\%$ s

Dated July 1, 1897

Maturing July 1, 1917

Interest payable January 1 and July 1 at First National Bank, Boston.

Coupon bonds of \$500.

Authorized \$100,000

Outstanding \$100,000

Per mile . . . 5,400

Security: The above bonds are a first mortgage on the Peterborough & Hillsborough Railroad, whose line extends from Peterborough to Hillsborough, N. H., 18.51 miles. They are also a first mortgage on all future acquisitions within the above termini.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Boston & Lowell Railroad and Boston & Maine Railroad JOINTLY and SEVERALLY.

All the capital stock of the Peterborough & Hillsborough Railroad is owned by the Northern Railroad. The former was chartered July 7, 1869, under the laws of New Hampshire. Its line was completed July 5, 1878. In 1890 the Northern Railroad was leased to the Boston & Lowell Railroad for 99 years. This lease was assigned to the Boston & Maine Railroad.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Massachusetts.

CONNECTICUT & PASSUMPSIC RIVERS RAILROAD

First Mortgage 4s

Dated April 1, 1893

Maturing April 1, 1943

Interest payable April 1 and October 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,900,000

Outstanding \$1,900,000
Per mile . . . 17,300

Security: The above bonds are secured by a first mortgage on the company's line from White River Junction, Vt., to the Canadian boundary line, 110.3 miles. They are further secured by the leasehold of the Massawippi Valley Railway Company, 35 miles, and equipment; also by a first collateral lien on 4,000 shares of the latter company, which bear no dividends and have no voting rights during the term of the above-mentioned lease.

These bonds are GUARANTEED, jointly and severally, as to INTEREST by the Boston & Lowell Railroad and the Boston & Maine Railroad Companies.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Connecticut & Passumpsic Rivers Railroad Company was chartered November 10, 1835, under the laws of Vermont. Its line was opened throughout for traffic October 14, 1863. From 1887 (January 1) it was leased to the Boston & Lowell Railroad Company for 99 years, at an annual rental equivalent to interest on the company's bonds, 6% on its capital stock, and \$3,000 for organization expenses.

The Massawippi Valley Railway was leased for 999 years from July 1, 1870, thereby continuing this line into Canada to a junction with the Grand Trunk Railway.

These bonds were quoted in December, 1912, on a 4.10 basis.

These bonds are considered a legal investment for savings banks in Maine, Vermont, Massachusetts, Connecticut and Rhode Island.

THE CONCORD & MONTREAL RAILROAD

Mortgage Currency 4s

Dated June 2, 1890

Maturing June 1, 1920

Interest payable June 1 and December 1 at Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,500,000

Outstanding \$5,500,000
Per mile . . . 20,220

Listed on the Boston Stock Exchange

Security: The above bonds are a first mortgage on 272.08 miles of road, all in New Hampshire, as follows: from Groveton to Nashua, 181.07 miles; Wing Road to Mount Washington, 20.17 miles; branches to Bethlehem and Profile, 12.84 miles; from Hookset, via Suncook, to Concord, 7.59

miles; from Lakeport to Alton Bay, 17.28 miles; from Belmont Junction to Belmont, 4.17 miles; from Pittsfield to Center Barnsted, 4.46 miles; and from Manchester to Henniker, 24.5 miles.

These bonds are GUARANTEED as to INTEREST under the terms of lease by the Boston & Maine Railroad.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Concord & Montreal Railroad was incorporated September 19, 1889, under the laws of New Hampshire, as a result of a consolidation of the Boston, Concord & Montreal Railroad, and the Concord Railroad Company. The railroads owned, leased and controlled by this railroad are leased to the Boston & Maine Railroad for 91 years from April 1, 1895. The latter company assumes all liabilities of the Concord & Montreal Railroad, and agrees to pay rental dividends of 7% per annum on its capital stock.

These bonds sold in 1909 on a 4.10 basis (bid)

	1910	4.12
	1911	4.35
December, 1912		4.25 (bid)

These bonds are considered a legal investment for savings banks in New England.

CONCORD & MONTREAL RAILROAD

1. Plain 4s

Dated June 1, 1897 Maturing June 1, 1920

Interest payable June 1 and December 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$650,000 Outstanding \$650,000

2. Plain 3½s

Dated December 1, 1899 Maturing June 1, 1920

Interest payable June 1 and December 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000 Outstanding \$400,000

3. Plain 3½s

Dated June 1, 1901 Maturing June 1, 1920

Interest payable June 1 and December 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000 Outstanding \$473,000

Security: The above bonds are a direct obligation of the Concord & Montreal Railroad Company, but are not secured by a mortgage.

These bonds are GUARANTEED as to INTEREST by the Boston & Maine Railroad Company under terms of its lease.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

CONNECTICUT RIVER RAILROAD COMPANY

	Dated	Maturing	Interest payable at Boston	Outstanding
1. *Plain 4s	September 1, 1893	September 1, 1943	March and September	\$1,000,000
2. Plain 3½s	January 1, 1901	January 1, 1921	January and July	290,000
3. Plain 3½s	January 1, 1903	January 1, 1923	January and July	969,000

Coupon bonds of \$1,000.

Security: The above bonds are unsecured by mortgage, but are direct obligations of the company. The Statutes of Massachusetts forbid the company from executing any mortgage on its property without equally securing these bonds.

GUARANTEED as to INTEREST under the terms of lease by the Boston & Maine Railroad.

Property: The Connecticut River Railroad operates a total of 80.89 miles as follows: from Springfield, Mass., to Keene, N. H., 74.0 miles; from Chicopee to Chicopee Falls, Mass., 2.35 miles; from Mt. Tom to Easthampton, Mass., 3.5 miles; and from Deerfield to East Deerfield, Mass., 1.04 miles.

The Connecticut River Railroad was incorporated February 9, 1890, under the laws of Massachusetts, as the result of a consolidation of the Connecticut River Railroad Company and the Ashuelot Railroad Company. It was leased to the Boston & Maine Railroad for 99 years from January 1, 1893, at an annual rental which covers interest on all outstanding bonds and scrip, 10% on capital stock and \$2,000 annually for organization expenses.

Plain 4s of 1943 were quoted in 1909 on a 4.00 basis (bid)

1910 4.10

1911 4.10

December, 1912 4.37

Plain 3½s of 1923 were quoted in 1909 on a 4.12 basis (bid)

1910 4.25

1911 4.25

December, 1912 4.40 (bid)

These bonds are considered a legal investment for savings banks in Maine, Massachusetts, Connecticut and Rhode Island.

FITCHBURG RAILROAD

The Fitchburg Railroad proper, which, together with the Vermont and Massachusetts Railroad, is now known as the Fitchburg Division of the Boston & Maine System, has at the present time under operation a total of 394.14 miles, as follows: Boston to Fitch-

* Listed on the Boston Stock Exchange.

burg, Massachusetts, 49.65 miles; Greenfield, Massachusetts, to Rotterdam Junction, New York, 105.25 miles; South Ashburnham, Massachusetts, to Bellows Falls, Vermont, 53.85 miles; West Cambridge to Waltham, Massachusetts, 6.63 miles; South Acton to Marlborough, Massachusetts, 12.35 miles; Ayer to Greenville, New Hampshire, 23.64 miles; Sequannacook Junction, Massachusetts, to Milford, New Hampshire, 21.73 miles; Worcester, Massachusetts, to Peterborough, New Hampshire, 51.67 miles; Mechanicsville to Saratoga, New York, 17.5 miles; Troy, New York, to the Massachusetts-Vermont State Line, 40.3 miles; and branches totalling 11.57 miles. Of the total mileage at present operated, 34.74 miles (from Troy, New York, to the New York-Vermont State Line) are subject to first mortgage bonds, and the balance, 359.40 miles, are unmortgaged.

The Fitchburg Railroad Company was chartered May 3, 1842, under the laws of Massachusetts, and has reached its present size as a result of many consolidations. It is leased to the Boston & Maine Railroad for 99 years from July 1, 1900. The lessee agreed to assume all the obligations of the above company and to pay as rental, dividends of 5% per annum on all the preferred stock of the company and 1% on the common stock when owned by the public.*

The total outstanding bonded debt of the Fitchburg Railroad proper on June 30, 1912, was \$24,167,000, the INTEREST on which has been GUARANTEED by the Boston & Maine Railroad. \$573,000 represents the amount which is secured by a first mortgage on the above-mentioned 34.74 miles, making the total outstanding bonded debt secured by mortgage \$14,220 per mile. Subject to the above \$573,000 first mortgage bonds, there are at present outstanding \$23,594,000 plain bonds which are unsecured.

On a per mile basis the amount of these unsecured bonds outstanding is \$59,870, and under the Massachusetts laws no mortgage issue can be placed upon the property of the railroad owned without equally securing the above direct obligations of the company. Below are listed and described the bond issues of the Fitchburg Railroad proper.

1. Plain 4¹/₂s

Dated May 1, 1894

Maturing May 1, 1914

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Listed on the Boston Stock Exchange

Outstanding \$500,000

These bonds were quoted in 1909 on a 4.15 basis (bid)

1910 4.50

1911 4.50

July, 1912 4.50

2. Plain 4s

Dated March 1, 1895

Maturing March 1, 1915

Interest payable March 1 and September 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Listed on the Boston Stock Exchange

Outstanding \$1,359,000

These bonds sold in 1906 on a 3.75 to 3.87 basis

1907 4.15

1909 4.20 (bid)

1910 4.40 (bid)

1911 4.55 (bid)

July, 1912 4.70 (bid)

* Entire common stock is held by the Boston & Maine Railroad.

3. Plain 4s

Dated July 1, 1896

Maturing July 1, 1916

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Listed on the Boston Stock Exchange

Outstanding \$500,000

These bonds sold in 1910 on a 4.20 to 4.55 basis

1911 4.45

December, 1912 4.50 (bid)

4. Plain 4s

Dated June 1, 1890

Maturing June 1, 1920

Interest payable June 1 and December 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$10,000 and \$50,000.

Listed on the Boston Stock Exchange

Outstanding \$500,000

5. Plain 3½s

Dated October 1, 1900

Maturing October 1, 1920

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$1,000, \$5,000 and \$10,000.

Not listed

Outstanding \$500,000

These bonds sold in 1907 on a 4.10 basis

1909 4.10 +

1910 4½

1911 4½

December, 1912 4.45 (bid)

6. Plain 3½s

Dated October 1, 1901

Maturing October 1, 1921

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

These are not listed

Outstanding \$1,775,000

These bonds sold in 1910 on a 4.15 to 4.50 basis

1911 4.55

December, 1912 4.37 (bid)

7. Plain 4s

Dated May 1, 1905

Maturing May 1, 1925

Interest payable May 1 and November 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Not listed

Outstanding \$3,660,000

These bonds sold in 1910 on a 4.07 to 4.25 basis

1911	4.20	4.25
December, 1912	4.40	(bid)

8. Plain 4s

Dated March 1, 1897

Maturing March 1, 1927

Interest payable March 1 and September 1 at Company's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Listed on the Boston Stock Exchange

Outstanding \$2,750,000

These bonds sold in 1907 on a 4.00 basis

1908	4.35
1909	4.07 (bid)
1910	4.20 (bid)
1911	4.15 (bid)
December, 1912	4.37 (bid)

9. Plain 4s

Dated April 1, 1907

Maturing April 1, 1927

Interest payable April 1 and October 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Not listed

Outstanding \$2,000,000

10. Plain 4s

Dated January 1, 1898

Maturing January 1, 1928

Interest payable January 1 and July 1 at Company's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Listed on the Boston Stock Exchange

Outstanding \$1,450,000

These bonds sold in 1910 on a 4.07 to 4.25 basis

1911	4.15	4.20
December, 1912	4.35	(bid)

11. Plain 4½s

Dated May 1, 1908

Maturing May 1, 1928

Interest payable May 1 and November 1 at Treasurer's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Not listed

Outstanding \$2,400,000

These bonds sold in 1910 on a 4.15 to 4.40 basis

1911	4.22	4.25
July, 1912	4.55	(bid)

12. Plain 4½s

Dated January 1, 1912

Maturing January 1, 1932

Interest payable January 1 and July 1 at Treasurer's office, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000. Coupon and registered bonds interchangeable.

Authorized \$1,200,000

Outstanding \$1,200,000

13. Plain 4½s

Dated January 1, 1913

Maturing January 1, 1933

Interest payable January 1 and July 1 at Treasurer's office, Boston.

Coupon bonds of \$6,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Outstanding \$400,000

These bonds were offered in January, 1913, on a 4.40 basis.

14. Plain 4s

Dated February 1, 1887

Maturing February 1, 1937

Interest payable February 1 and August 1 at Treasurer's office, Boston.

Coupon bonds of \$1,000,

Registerable as to principal or fully registerable in lots of \$5,000, \$10,000 and \$50,000.

Outstanding \$5,000,000.

The bonds of the Fitchburg Railroad are considered a legal investment for savings banks in Maine, Massachusetts and Connecticut.

TROY & BOSTON RAILROAD

First Mortgage Currency 7s

Dated July 1, 1874

Maturing July 1, 1924

Interest payable January 1 and July 1 at Fitchburg Railroad Company's office, Boston.

Coupon bonds of \$1,000, \$5,000 and \$10,000.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$1,500,000

Outstanding \$573,000

Per mile . . . 14,200

Security: The above bonds are a first mortgage on the Troy & Boston Railroad line from Troy, N. Y., to the New York-Vermont state line, 34.74 miles, and equipment. They are also secured by a one-quarter interest in the Troy Union Railroad, Troy, N. Y., 1.87 miles.

These bonds are GUARANTEED as to INTEREST under the terms of lease by the Boston & Maine Railroad.

The Troy & Boston Railroad Company was chartered November 22, 1849, and completed on March 10, 1852. On May 3, 1887, it was consolidated with the Fitchburg Railroad Company and is now subject, with the latter, to the lease by the Boston & Maine Railroad.

These bonds were quoted in 1909 on a 4.05 basis (bid)

	1910	4.40
	1911	4.25
December, 1912	4	12

These bonds are considered a legal investment for savings banks in Maine, Massachusetts, Connecticut and Rhode Island.

MANCHESTER & LAWRENCE RAILROAD

Plain 4s

Dated January 1, 1892

Maturing January 1, 1922

Interest payable January 1 and July 1 at the office of the Treasurer of the Boston & Maine Railroad Company.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$300,000

Outstanding \$274,000

Security: The above bonds are a direct obligation of the Manchester & Lawrence Railroad Company, but are not secured by a mortgage.

These bonds are GUARANTEED as to INTEREST by the Boston & Maine Railroad Company, by endorsement.

The Manchester & Lawrence Railroad Company was chartered under the laws of New Hampshire, June 30, 1847. Its line was opened for traffic November 13, 1849. It was leased to the Boston & Maine Railroad Company, September 1, 1887, for fifty years at an annual rental equivalent to 10% on the company's capital stock, interest on its funded obligations, and \$2,000 for organization expenses.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

VERMONT & MASSACHUSETTS RAILROAD

Plain Currency 3½s

Dated May 1, 1903

Maturing May 1, 1923

Interest payable May 1 and November 1 at Fitchburg Railroad Company's office, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Outstanding \$772,000

Security: The above bonds are unsecured by mortgage, but are direct obligations of the company.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST under terms of lease by the Fitchburg Railroad Company. THIS GUARANTEE was ASSUMED by the Boston & Maine Railroad Company under the terms of its lease.

Property: The property of this company consists of 58.58 miles of road from Fitchburg to Greenfield, Mass., and branches.

The Vermont & Massachusetts Railroad was chartered May 15, 1844, under the laws of Massachusetts, as the result of a consolidation of the Vermont & Massachusetts Railroad Company and the Brattleboro & Fitchburg Railroad Company. The road was commercially opened April 15, 1849. On the first of January, 1874, it was leased for a term of 999 years to the Fitchburg Railroad Company, which guaranteed interest on all the company's outstanding bonds and, as rental, 6% on the capital stock and \$3,000 for organization expenses. It is now subject, with the Fitchburg Railroad, to a lease by the Boston & Maine Railroad until 1999.

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

ST. JOHNSBURY & LAKE CHAMPLAIN RAILROAD

First Mortgage 5s

Dated March 1, 1894

Maturing March 1, 1944

Interest payable March 1 and September 1 at Company's office, Boston.

Conpon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding \$1,328,000

Per mile . . . 10,600

Provisions of issue: Of the total amount authorized, \$1,328,000 are outstanding as above, \$740,000 are in the treasury of the Boston & Lowell Railroad Company, and \$432,000 are in the treasury of the Boston & Maine Railroad Company.

Security: The above bonds are a first mortgage on the St. Johnsbury & Lake Champlain Railroad Company's line from Lunenburg to Swanton, Vt., 120 miles; and Victory Branch, North Concord, to Victory, Vt., 5.43 miles, making a total of 125.43 miles subject to the above mortgage.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Boston & Maine Railroad Company.

Trustee: American Trust Company, Boston.

The St. Johnsbury & Lake Champlain Railroad Company was chartered on January 31, 1880, under the laws of Vermont, as the result of the reorganization of the Vermont Division of the Portland & Ogdensburg Railroad Company. A majority of its capital stock is now owned by the Boston & Lowell Railroad, which is leased to the Boston & Maine Railroad until 1999.

These bonds sold in 1910 on a 3.90 to 4.22 basis

1911 4.30 to 4.70

December, 1912 4.80 (bid)

These bonds are considered a legal investment for savings banks in Maine, Vermont, Massachusetts and New Hampshire.

VERMONT VALLEY RAILROAD

First Mortgage Gold $4\frac{1}{2}\%$ s

Dated October 1, 1910

Maturing October 1, 1940

Interest payable April 1 and October 1 at office of the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Authorized \$1,500,000

Outstanding \$1,500,000

Security: The above bonds are a first mortgage on the Vermont Valley Railroad Company's line from Brattleboro to Sullivan River Bridge, in Bellows Falls, Vt., 24 miles. They are further secured by a deposit with trustee of \$700,000 Connecticut & Passumpsic River Railroad Company stock and \$100,000 Massachusetts Valley Railway Company stock (upon which 6% dividends are guaranteed by the Boston & Maine Railroad).

Trustee: The Boston Safe Deposit & Trust Company, Boston.

The Vermont Valley Railroad Company was chartered November 8, 1848, under the laws of Vermont. The road was commercially opened in 1851. It is controlled by the Connecticut River Railroad Company, through ownership of practically the entire capital stock. The Connecticut River Railroad Company, in turn, is leased to the Boston & Maine Railroad until 1992. The Vermont Valley Railroad is operated by the Boston & Maine Railroad as agent.

These bonds were quoted in 1912 on a 4.35 basis (bid)

These bonds are considered a legal investment for savings banks in Maine, Massachusetts and Connecticut.

SULLIVAN COUNTY RAILROAD

First Mortgage Gold 4s

Dated March 31, 1894

Maturing April 1, 1924

Interest payable April 1 and October 1 at office of the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable. Registered bonds of \$1,000.

Authorized \$400,000

Outstanding \$357,000

Per mile . . 13,740

Security: The above bonds are secured by a first mortgage on the Sullivan County Railroad Company's line from Bellows Falls to Windsor, Vt., 26 miles. They are also secured by all the equipment of the line and future acquisitions.

Trustee: The Boston Safe Deposit & Trust Company, Boston.

The Sullivan County Railroad was chartered July 10, 1846, under the laws of New Hampshire. It was commercially opened February 5, 1849. The entire capital stock of the company is owned

by the Vermont Valley Railroad, while the Connecticut River Railroad Company, which is leased to the Boston & Maine Railroad until 1992, owns practically the entire stock of the Vermont Valley Railroad. The Sullivan County Railroad is operated by the Boston & Maine Railroad as agent.

These bonds are considered a legal investment for savings banks in Maine, Massachusetts and Connecticut.

BOSTON & MAINE RAILROAD

One-Year 4⁰⁰/₁₀₀ Notes

Dated June 10, 1912

Maturing June 10, 1913

Interest payable December 10 and June 10 at Boston.

Coupon notes of \$1,000, \$5,000, \$10,000, \$25,000 and \$50,000.

Authorized \$12,000,000

Outstanding \$12,000,000

Security: These notes are a direct obligation of the Boston & Maine Railroad Company, but are not secured by a mortgage.

These notes were issued to retire \$5,000,000 4⁰⁰/₁₀₀ notes, maturing June 15, 1912; to reimburse the New York, New Haven & Hartford Railroad Company for advances of \$3,000,000, and \$4,000,000 for further extensions to property.

These notes were offered in June, 1912, at 99⁷/₈ and interest.

BOSTON, REVERE BEACH & LYNN RAILROAD COMPANY

BOSTON, REVERE BEACH & LYNN RAILROAD COMPANY

HISTORY

The Boston, Revere Beach & Lynn Railroad was incorporated May 23, 1874, under the laws of Massachusetts. Its road was opened from East Boston to Lynn, July 29, 1875. In July, 1891, the company absorbed the Boston, Winthrop & Shore Railroad Company, owning a line from East Boston to Winthrop, Massachusetts.

PROPERTY

The company operates a narrow gauge railroad from East Boston to Lynn and a branch to Winthrop. Connecting Boston proper with its terminal in East Boston, is a line of ferries owned and operated by the company. The company's mileage, operated June 30, 1912, consisted of 13.2 miles of main line, all of which is double tracked.

The company's equipment, as of June 30, 1912, included the following pieces:

Passenger locomotives	23
Passenger cars	75
Combination cars	17
Company cars	28
Total equipment owned	143

Besides the above, the company operated four ferries in its steamboat service.

CAPITALIZATION

The company's capitalization at the close of its fiscal year, June 30, 1912, was as follows:

Capital stock	\$850,000
Funded debt	850,000
Gross capitalization	<u>\$1,700,000</u>
Capital per mile operated	\$128,788
Average miles operated	13.2
Net income to net capital	7.1%
Fixed charges to net income	57.7%
Margin of safety	42.3%

The company's authorized capital stock is \$1,125,000, of which \$850,000, or \$64,394 per mile of line, is outstanding. The authorized funded debt of the company amounts to \$1,000,000, \$850,000 of which is outstanding, or \$64,394 per mile of line.

To offset these capital liabilities, the company reports a road and equipment account, as of June 30, 1912, of \$2,076,697. This represents a cost per mile of line of \$157,424. This leaves an equity in the property, over and above all capital obligations, of nearly \$27,640 per mile.

The ratio of net income to net capital was remarkably steady during the five years ending 1912, averaging for the period 7.1%. The company's fixed charges consumed 57.7% of its total net income, leaving a margin of safety for the interest on its bonds of 42.3% — a very satisfactory showing, especially since the average for the decade was in the neighborhood of 40%.

CHARACTER OF TRAFFIC

The company's traffic is almost entirely passenger. Its business is especially heavy during the summer months, caring as it does for the summer resorts that dot the coast between Boston and Lynn, especially the two popular beaches at Revere and Winthrop, Massachusetts.

It will be noted in the following table that the company's passenger density, and, correspondingly, passenger earnings, show material increases since 1907.

Year	Passenger density	Average distance carried per passenger	Passenger earnings	Average rate per passenger per mile
1907	5,840,101	5.86 miles	\$799,561	\$.0104
1908	6,014,184	5.48	812,967	.0102
1909	6,289,462	4.93	841,988	.0100
1910	6,372,580	4.80	865,940	.0103
1911	6,618,194	4.81	898,627	.0103
1912	6,853,795	4.81	930,059	.0103

EARNINGS

With the exception of nominal amounts received as rentals of property and for miscellaneous items, the company's gross earnings depend entirely on the passenger traffic. Both gross and net earnings show substantial increases, the former gaining 16.2% and the latter 15.1% in the six years ending June 30, 1912.

Year	Miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907 . . 13.2		\$819,072	\$62,051	\$105,581	\$7,999	89.23%
1908 . . 13.2		834,020	63,183	123,415	9,350	87.43
1909 . . 13.2		863,475	65,415	121,533	9,207	85.92
1910 . . 13.2		887,888	67,264	119,950	9,088	86.49
1911 . . 13.2		919,920	69,690	122,502	9,280	86.68
1912 . . 13.2		951,891	72,113	121,848	9,231	87.10

The company reports a rather high operating ratio. The reason for this, it would seem, lies in the cost of conducting transportation. During the winter months trains are run at a loss — a limited number of commuters using them. They have to be maintained, however, the loss being offset by the large profits of the summer months. Following are the ratios of expense to earnings for the six years ending June 30, 1912.

Year	Maintenance to gross earnings	Conducting transportation to gross earnings	Total expenses to gross earnings
1907	27.4%	61.8%	89.2%
1908	25.3	62.1	87.4
1909	27.3	59.2	85.9
1910	27.1	59.4	86.5
1911	24.4	62.3	86.7
1912	24.6	63.5	87.1

MAINTENANCE

During the six years ending 1912 the company spent out of its total gross earnings of \$5,267,000, \$1,339,000 for maintenance of way and equipment, an average of \$223,170 per year, or \$16,906 annually per mile of road operated.

Below are given the amounts spent for upkeep, also figured on a per mile basis, for the years 1907 to 1912 inclusive:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$92,507	\$115,302	\$217,809	\$15,743
1908	85,407	107,050	192,452	14,580
1909	132,735	97,851	230,586	17,469
1910	128,286	111,466	239,752	18,162
1911	146,232	77,487	223,719	16,948
1912	92,851	131,750	224,601	17,015

ADDITIONS AND BETTERMENTS

Under the ruling of the Interstate Commerce Commission, and one which applies under the rulings of the Board of Railroad Commissioners of Massachusetts, the Boston, Revere Beach & Lynn Railroad reports on its balance sheet of June 30, 1912, \$43,156 spent for additions and betterments to property since June 30, 1907. This is divided as follows:

Year	Amount
1908	\$100
1909	12,114
1910	16,137
1911	11,474
1912	<u>3,331</u>
	\$43,156

DIVIDENDS

Since 1900 dividends have been paid as follows:

Year	Rate
1900-05	2 $\frac{1}{2}$ %
1906	4
1907	5
1908-12	6

The company's surplus stood on its balance sheet of June 30, 1912, at \$70,089. This is equivalent to 8.2% of the company's outstanding capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Boston, Revere Beach & Lynn Railroad, based on the average miles operated, for the years 1905 to 1912 inclusive.

BOSTON, REVERE BEACH & LYNN RAILROAD

Fiscal year	Capital stock	Funded debt	Gross capital	Average miles operated	Extra main track
1905	\$64,394	\$64,394	\$128,788	13.2	13.2
1906	64,394	64,394	128,788	13.2	13.2
1907	64,394	64,394	128,788	13.2	13.2
1908	64,394	64,394	128,788	13.2	13.2
1909	64,394	64,394	128,788	13.2	13.2
1910	64,394	64,394	128,788	13.2	13.2
1911	64,394	64,394	128,788	13.2	13.2
1912	64,394	64,394	128,788	13.2	13.2

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Fixed charges	Surplus available for dividends
		Way	Equipment				
1905	\$49,590	\$5,397	\$9,084	\$29,166	\$5,943	\$4,574	\$1,369
1906	56,637	4,716	11,204	33,352	7,365	4,711	2,654
1907	62,051	7,008	8,735	38,309	7,999	4,682	3,317
1908	63,183	6,470	8,110	39,253	9,350	5,404	3,946
1909	65,415	10,056	7,413	38,739	9,207	5,264	3,943
1910	67,264	9,718	8,444	40,014	9,088	5,120	3,968
1911	69,690	11,078	5,870	43,462	9,280	5,271	4,009
1912	72,113	7,034	9,981	45,867	9,231	5,306	3,931

Fiscal year	Dividends	Surplus	Operating expense to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Pcr cent earned on capital stock
1905	\$1,288	\$81	90.56%	31.8%	58.8%	9.2%	38.5%	4.6%	2.1%
1906	2,576	78	90.38	31.5	58.9	8.3	43.9	5.7	4.1
1907	3,220	97	89.23	27.4	61.8	7.5	48.1	6.2	5.1
1908	3,863	83	87.43	25.3	62.1	8.5	48.9	7.2	6.1
1909	3,863	80	85.92	26.7	59.2	8.0	50.7	7.1	6.1
1910	3,863	105	86.49	27.1	59.4	7.6	52.2	7.0	6.2
1911	3,863	146	86.68	24.4	62.3	7.5	54.0	7.2	6.2
1912	3,863	68	87.10	24.6	63.5	7.3	56.0	7.1	6.1

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile per passenger	Passenger density	Passenger and company cars
		Way	Equipment					
1905	\$,8934	\$,100	\$.168	\$,541	\$.086	\$.0105	4,607,367	97
1906	,9146	,078	.185	,551	.100	.0103	5,352,896	108
1907	,8683	.100	.125	,549	.094	.0104	5,840,101	116
1908	,9354	.098	.123	,596	.118	.0102	6,014,184	114
1909	,9622	.151	.112	,584	.115	.0100	6,289,462	114
1910	,9372	.137	.120	,571	.109	.0103	6,372,580	110
1911	,9904	.157	.083	,607	.143	.0103	6,618,194	120
1912	1,0072	.098	.139	,640	.130	.0103	6,853,795	120

BOND DESCRIPTION

Following is a description of the funded debt of the Boston, Revere Beach & Lynn Railroad:

BOSTON, REVERE BEACH & LYNN RAILROAD

First Mortgage $4\frac{1}{2}\%$

Dated July 15, 1897

Maturing July 15, 1927

Interest payable January 15 and July 15 at State Street Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal. Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$1,000,000

Outstanding \$850,000

Per mile. . . 64,394

Provisions of issue: Besides the bonds outstanding as above, \$150,000 have been reserved for betterments and improvements, with restrictions.

Security: The above bonds are secured by a first mortgage on the entire property of the company.

Trustee: State Street Trust Company, Boston.

These bonds were quoted in December, 1912, on a 4.62 basis (bid).

They are considered a legal investment for savings banks in Massachusetts.

CENTRAL RAILROAD COMPANY OF NEW JERSEY

CENTRAL RAILROAD COMPANY OF NEW JERSEY

The Central Railroad of New Jersey is not an independent road, but in reality simply the eastern division and the New York terminus of the Reading System. In the annual report of the Reading Company for the fiscal year ending June 30, 1911, the company owned 145,040 of the 274,380 shares of stock outstanding of the Central Railroad Company of New Jersey. This control was acquired in 1901, the Reading Company paying \$160 per share. The road is operated in so close association with the parent company as to make it to all intents a part of the larger system.

HISTORY

The Central Railroad Company was chartered, February 22, 1849, under the laws of the State of New Jersey, as the result of the consolidation of the Elizabeth & Somerville Railroad Company and the Somerville & Easton Railroad Company. The road was opened to Philipsburg, New Jersey, on the second of July, 1852, and was extended to Jersey City, New Jersey, in 1864. The branch from Elizabeth to Newark was opened in 1872.

On subsequent dates the company absorbed the Newark & New York Railroad Company, the Perth Amboy & Elizabeth Railroad Company, the Constable's Hook Railroad Company, the Manufacturers' Railroad Company, the South Branch Railroad Company, the High Bridge Railroad Company, the Longwood Valley Railroad Company, and the Lake Hopatcong Railroad Company.

The Central Railroad Company of New Jersey also controls and operates jointly with the Pennsylvania Railroad, by lease, the New York & Long Branch Railroad Company. It controls, through ownership of a majority of its capital stock, the Lehigh & Wilkes-Barre Coal Company.

In December, 1905, the Central Railroad Company of New Jersey acquired the entire fleet of the Manhattan Lighterage & Transportation Company, consisting of thirty-four barges, one steam lighter, and three tugs, and also purchased from the Harbor Transportation Company a fleet of eight lighters. To operate this combined fleet, the Manhattan Lighterage Company was organized, all the capital stock being held by the Central Railroad Company. To control certain terminal storage facilities in Newark, New Jersey, the Newark Warehouse Company was organized and has erected a warehouse six stories high to care for freight traffic and to be used for storage purposes.

PROPERTY

On June 30, 1912, the company operated a total of 669.43 miles of road. 156.15 miles are owned in fee, 224.50 miles represent the mileage of companies controlled by stock ownership, 214.6 miles are controlled by leases and 36.14 miles by trackage rights. The trackage of the New York & Long Branch Railroad Company has been operated separately, under an agreement between the Central Railroad Company and the Pennsylvania Company until the fiscal year 1912.

The most important part of this road extends from Jersey City through eastern Pennsylvania to Scranton, in the heart of the anthracite coal region. Another important division extends south-

ward, centrally through New Jersey, to a double terminal on Delaware Bay. About 40% of the road is double tracked.

In the annual report of the company for the fiscal year ending June 30, 1912, the following equipment is reported:

Locomotives	490
Cars	
Passenger	657
Freight	22,015
Company	758
Total	23,430
Leased equipment	10
Marine equipment	
Steamboats	3
Ferry boats	9
Tug boats	12
Car floats	28
Coal barges	15
Total	67
Total equipment	23,997

CAPITALIZATION

The capital account of the Central Railroad of New Jersey at the close of business June 30, 1912, stood as follows:

Capital stock	\$27,436,800
Funded debt	47,848,000
Nominal capital	\$75,284,800
Rentals capitalized @ 5%	51,611,460
Gross capitalization	\$126,896,260
Securities owned	14,006,222
Net capitalization	\$112,890,038
Net capital per mile operated	\$168,745
Average miles operated	669.43
Net income to net capital	11.3%
Fixed charges to net income	52.8%
Margin of safety	47.2%

From the foregoing it would seem that the company's net capitalization per mile of road operated was very high. The average of this figure for the decade ending 1912 is practically the same and compares with two properties situated in similar territory, and working under somewhat similar transportation conditions, as follows:

Lackawanna	\$149,892
Lehigh Valley	70,376

However, when the capitalization figures are compared with the earning capacities of the roads in question, it appears that the Central Railroad carried its capitalization with great ease. During

the ten years ending June 30, 1912, the net income on this heavy net capital has averaged 10.8%, which demonstrates the stable earning capacity of this system. For the same period the Lehigh Valley earned 13.6% on a capitalization nearly \$100,000 per mile less than that of the Central Railroad. The Lackawanna with earnings of 15.8% on its average net capitalization of slightly under \$150,000 per mile, was the only system whose showing is to be compared with that of the "Jersey Central," as it is familiarly known.

It is also important to note, in the case of the Central Railroad, that, although over three quarters of its capitalization is represented by forms of indebtedness which are fixed charges upon the system, the high earnings reported in the past have enabled the company to increase its net corporate income to an amount equivalent to nearly twice these fixed charges, thereby leaving a large margin of safety in earnings for the interest on the company's bond issues.

It is of interest to note, too, that since 1900 there has been but a slight increase in capitalization, while earnings have shown a remarkable growth, as will be seen by the following table:

Year	Stock	Funded debt	Total	Gross earnings
1901	\$27,411,800	\$46,505,000	\$73,916,800	\$15,286,708
1912	27,436,800	47,848,000	75,284,800	25,890,094
Capital increase			\$1,368,000	
Per cent. increase			2%	
Gross earnings increase				\$10,603,386
Per cent. increase				69%

CHARACTER OF TRAFFIC

The reports of the Central Railroad of New Jersey are in many respects incomplete and unsatisfactory. The reports of traffic statistics, especially, are exceedingly meagre. No table of tonnage transported is furnished, but the road is known to depend to a large degree upon the transportation of hard coal. It taps the great hard coal region of Pennsylvania and is said to own about 17% of all the unexhausted anthracite deposits of that state. It has been estimated that the company controls 1,214,500,000 tons of minable coal. Of it, it has been said, "At the present rate of production, these deposits promise to supply traffic for the Jersey Central for nearly two and one half centuries."

During the last decade the ratio of freight to all traffic has averaged 77%. This figure has declined since 1905 from 80% to 73%. About one-half of this freight business is represented by the one item of coal transportation. In fact, the proportion of coal to the entire traffic of the road was 37% during that time. Tabulated below are the ratios of commodities carried to total amount of business done for the six years ending June 30, 1912.

	1912	1911	1910	1909	1908	1907
Merchandise	41.9%	40.6%	42.0%	38.1%	37.0%	40.7%
Anthracite	31.6	34.9	33.7	37.0	40.2	37.4
Passenger	21.1	19.2	18.9	19.2	18.9	18.6
Other	5.4	5.3	5.4	5.7	3.9	3.3
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EARNINGS

Following are the gross and net earnings of the road, also figured on the average miles operated, for the fiscal years ending June 30, 1907 to 1912 inclusive. This table has been compiled from the annual reports of the company.

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907 . . .	610	\$22,772,568	\$37,332	\$10,913,626	\$17,891	52.17%
1908 . . .	610	22,614,936	37,073	9,453,257	15,497	58.2
1909 . . .	610	22,068,279	36,178	9,507,761	15,587	56.9
1910 . . .	631	23,851,511	37,800	10,583,028	16,772	55.6
1911 . . .	634	24,799,235	39,115	10,600,239	16,719	57.2
1912 . . .	669	25,890,094	38,699	10,533,014	15,744	59.3

As was the case with most of the railroads of the country, 1907 proved a banner earning year for the Jersey Central. The gross earnings of that year, with no increase in average miles operated, were the largest ever reported by the company and greater by \$2,200,000 than those reported for the fiscal year of 1906. That this splendid record was maintained through the relatively poorer years of 1908 and 1909 was quite remarkable. To be sure, the operating ratios for those two years rose considerably, but this was due, not to increased cost of conducting transportation, but to large increases in charges to upkeep, both of equipment and way.

Gross earnings in 1910 increased over \$1,000,000 over the high figures of 1907, with but a twenty-mile increase in miles operated, and during the fiscal year of 1911 gross earnings rose nearly \$1,000,000, with but a three-mile increase in miles operated. The ratio of expenses to earnings has increased since 1910, due to an increase in costs of conducting transportation. The 1912 figures include the mileage and earnings of the New York & Long Branch Railroad Company.

MAINTENANCE

During the last six years the Jersey Central has been spending, for maintenance of way and equipment, an amount equivalent to over \$9,360 per mile. Below are given the amounts spent, figured on the basis of miles operated, for the years 1907 to 1912 inclusive; also the average amount spent during the period in question and a comparison of this latter figure with the same relative figures of the Delaware, Lackawanna & Western and Lehigh Valley Railroads:

Year	Maintenance		Total
	Way	Equipment	
1907	\$3,145	\$4,517	\$7,662
1908	3,970	5,960	9,930
1909	3,535	6,027	9,562
1910	3,343	6,115	9,458
1911	3,941	5,888	9,829
1912	3,984	5,726	9,710
Average for period			
Central	\$3,654	\$5,706	\$9,360
Lackawanna*	4,920	6,029	10,949
Lehigh Valley*	2,365	4,162	6,527

* 1907-1911.

ADDITIONS AND BETTERMENTS

In addition to generous sums spent for maintenance, the Central Railroad Company has provided large sums out of surplus for additions and betterments. In each of the years 1908 and 1909, \$2,000,000 was set aside from income for this purpose; in 1910, \$4,000,000; in 1911, \$3,000,000, and for the fiscal year ending June 30, 1912, \$2,000,000.

The annual reports of the company show the following expenditures made and charged against this Addition and Betterment Fund since 1907:

Year	Amount
1908	\$1,023,692
1909	338,215
1910	3,615,179
1911	2,588,505
1912	3,611,557
Total	<u>\$11,177,148</u>

DIVIDENDS

Since 1890 the company has earned and paid the following dividends:

Year	Rate	Year	Rate
1890	6 $\frac{7}{8}$	1899	4 $\frac{1}{4}$
1891	6 $\frac{3}{4}$	1900	5
1892-4	7	1901	5 $\frac{3}{4}$
1895-6	5	1902-9	8
1897-8	4	1910-12	12*

On the general balance sheet of the company for the fiscal year ending June 30, 1911, the Profit and Loss Account, which represents surplus earnings of past years, stood at \$13,969,878, or 50% of the total amount of capital stock outstanding at that time. In connection with the Reading control of this remarkable anthracite road, it is interesting to note just how profitable it has proved to its owner and approximately how it has handled its surplus earnings. It was in 1901 that the Reading bought its control, which represents 53% of the total stock outstanding, and paid in the neighborhood of \$160 a share or about \$23,200,000.

Since that time, and including 1912, with earnings of over 21%_c, the Jersey Central produced the following surplus earnings over and above all charges:

Year	Surplus
1902	\$3,051,868
1903	2,134,796
1904	4,326,203
1905	5,032,405
1906	5,659,705
1907	5,782,879
1908	5,123,473
1909	4,537,988
1910	9,103,899†
1911	7,148,101
1912	6,009,072
Total	<u>\$57,910,388</u>

* Includes an extra 4% annually paid from dividends received from the Lehigh and Wilkes-Barre Coal Company.

† Includes the profit on Lehigh Valley Stock estimated at \$1,840,000.

This accumulation of surplus is equivalent to 211% of the capital stock of the company outstanding. The Jersey Central paid, to June 30, 1912, just 100% in dividends since the Reading bought control. A balance of \$30,473,588, therefore, or the equivalent of 111%, has gone back into the property. The Reading Company has, indeed, every reason to be satisfied with its investment.

STATISTICS

Following are given capitalization, earnings, and traffic statistics of the Central Railroad of New Jersey, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive. In the following table, the mileage and earnings of the New York & Long Branch Railroad are included in 1912. Prior to that, its net earnings were included in "Other Income."

CENTRAL RAILROAD OF NEW JERSEY

Fiscal year	Common stock	Funded debt	Rentals @ 3%	Gross capital	Owned by company	Net capital	Average miles	Extra main track
1900	\$42,390	\$72,564	\$62,612	\$177,566	\$41,270	\$136,336	642	289
1903	45,557	83,656	83,997	213,210	36,193	177,017	602	296
1906	44,970	83,500	78,242	206,712	38,247	168,465	610	296
1907	44,978	88,951	90,662	224,591	41,857	182,734	610	296
1908	44,978	86,641	76,809	208,428	40,899	167,529	610	296
1909	44,978	84,379	81,804	211,161	33,702	177,459	610	296
1910	43,481	79,664	68,694	191,839	21,996	169,843	631	296
1911	43,275	77,378	79,848	200,501	22,039	178,462	634	296
1912	41,012	71,522	77,147	189,681	20,936	168,745	669	334

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$23,566	\$2,059	\$2,705	\$9,378	\$9,424	\$2,087	\$11,511	\$7,431	\$4,080
1905	31,991	2,818	3,754	9,999	15,420	2,601	18,021	9,662	8,359
1906	33,646	2,850	4,219	10,402	16,175	2,634	18,809	9,529	9,280
1907	37,332	3,145	4,517	11,779	17,891	2,927	20,818	11,338	9,480
1908	37,073	3,970	5,960	11,646	15,497	3,442	18,939	10,540	8,399
1909	36,178	3,535	6,027	11,029	15,587	2,340	17,927	10,488	7,439
1910	37,800	3,343	6,115	11,570	16,772	7,452*	24,224	9,798	14,426
1911	39,115	3,941	5,888	12,567	16,719	4,018	20,736	9,461	11,275
1912	38,699	3,984	5,726	13,245	15,744	3,303	19,047	10,066	8,981

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on stock	Freight to all traffic
1900	\$2,112	....	\$1,968	60.0%	20.3%	39.7%	31.5%	13.2%	8.5%	9.5%	76%
1905	3,644	....	4,715	51.8	20.6	31.2	30.2	15.0	10.2	18.3	80
1906	3,598	\$5,531	2,151	51.9	21.0	30.9	28.3	16.2	11.2	20.6	80
1907	3,598	5,757	125	52.1	20.5	31.6	30.3	16.6	11.3	21.0	78
1908	3,598	3,771	1,030	52.2	20.8	31.4	28.4	17.8	11.3	18.6	77
1909	3,598	3,279	562	56.9	26.4	30.5	28.9	17.1	10.1	16.5	75
1910	5,217	6,340	2,869	55.6	25.0	30.6	25.8	19.6	14.2	33.1*	76
1911	5,193	4,732	1,350	57.2	25.1	32.1	24.2	19.5	11.6	25.7	75
1912	4,921	2,989	1,071	59.3	25.1	34.2	26.0	20.3	11.3	29.1	73

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Passenger, freight and company cars
		Way	Equipment			Freight	Passenger			
1900	\$2.28	\$1.190	\$2.249	\$6.00	\$1.14	\$0.0094	\$0.0157	\$1,972,135	399	\$17,674
1905	2.63	.378	.530	.822	1.30	.0083	.0146	2,077,570	507	20,184
1906	2.68	.291	.342	.843	1.31	.0084	.0145	2,150,263	519	20,044
1907	2.83	.288	.342	.893	1.36	.0084	.0145	2,462,792	519	22,670
1908	2.84	.303	.456	.888	1.19	.0084	.0141	2,391,298	522	22,446
1909	....	....	....	....	....	....	....	2,240,677	517	21,359
1910	....	....	....	....	....	....	....	2,386,619	519	23,299
1911	....	....	....	....	....	....	....	....	542	23,210
1912	....	....	....	....	....	....	....	....	514	23,440

* Due to special profits from sale of Lehigh Valley stock.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Central Railroad System of New Jersey, together with the bases upon which they have sold during the decade ending December 31, 1912:

CENTRAL RAILROAD COMPANY OF NEW JERSEY

General Mortgage 5s

Dated July 1, 1887

Maturing July 1, 1987

Interest payable January 1 and July 1 at the Liberty National Bank, New York.

Registered interest January 1, April 1, July 1 and October 1.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$500, \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$50,000,000

Outstanding \$45,091,000

Per mile . . . 121,200

Security: The above bonds are secured by a lien by a direct first mortgage or by deposit with the trustee of the stock of several subsidiary companies. The bonds are secured by a direct first mortgage on 156.59 miles of road, 96.16 miles of second track, lands, buildings, terminals at Jersey City, leaseholds, equipment, etc. They are secured by a first collateral lien by deposit of securities aggregating \$18,855,200 par value and covering 215.42 miles of road in New Jersey, including the line from Long Branch to Bay Side with branches to Bivalve, Barnegat and Freehold, N. J.

The Reading Company, which owns \$14,500,000 stock of the Central Railroad Company of New Jersey, and has deposited the same to secure its Reading Company-Jersey Central Collateral Trust 4s of 1951, covenants, in its indenture, to pay the principal and interest of every bond or obligation of any company a majority of whose shares is pledged under the said Collateral 4s.

Trustee: Central Trust Company of New York.

The above bonds sold in 1902 on a 3.50 to 3.75 basis

1903	3.70	3.95
1904	3.62	3.87
1905	3.60	3.75
1906	3.70	3.95
1907	3.90	4.45
1908	3.80	4.25
1909	3.85	4.00
1910	3.95	4.10
1911	3.95	4.15
1912	4.05	4.20

These bonds are considered a legal investment for savings banks in New England.

AMERICAN DOCK & IMPROVEMENT COMPANY

First Mortgage Currency 5s

Dated July 1, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the Liberty National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,987,000

Security: The above bonds are secured by a first mortgage on three large tracts of improved water front and dock property, one tract being at Caven Point, Jersey City, another lying immediately south of the terminal yards of the Central Railroad of New Jersey at Communipaw, and the other immediately north of the terminal yards of the above company at Jersey City.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Central Railroad of New Jersey, by endorsement.

Redemption: The above bonds are redeemable at the option of the company, on any interest date, at 110 and interest.

The entire capital stock of the American Dock & Improvement Company (\$83,000,000 par value) is owned by the Central Railroad Company of New Jersey, and held under its General Mortgage.

These bonds sold in 1902 on a 3.87 to 4.05 basis

1903	3.95	4.35
1904	3.85	4.05
1905	3.75	4.00
1906	3.85	4.00
1907	3.95	4.37
1908	3.90	4.30
1909	3.95	4.12
1910	4.00	4.20
1911	4.00	4.20
1912	4.10	4.37

These bonds are considered a legal investment for savings banks in New Hampshire.

NEW YORK & LONG BRANCH RAILROAD

First Mortgage Gold 4s and 5s

Dated September 1, 1891

Maturing September 1, 1941

Interest payable March 1 and September 1 at the Liberty National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding, 4s, \$2,308,000

5s, 192,000

Per mile . . . 66,000

Security: The above bonds are secured by a first mortgage on the road of the company from Perth Amboy, via Long Branch, to Bay Head, N. J., 38.04 miles. They are also secured by a first mortgage on the lands, buildings, appurtenances and future acquisitions of the road.

These bonds are GUARANTEED as to INTEREST, JOINTLY by the Pennsylvania Railroad Company and the Central Railroad Company of New Jersey under the terms of its lease.

Trustee: Central Trust Company, New York.

The New York & Long Branch Railroad Company was leased jointly in 1888 to the Pennsylvania Railroad Company and the Central Railroad Company of New Jersey, at an annual rental equivalent to 7% on the outstanding capital stock, interest on its bonds, and \$6,000 for organization expenses. The entire capital stock of the company is owned by the Central Railroad of New Jersey.

The 4s of 1941 sold in 1909 on a 4.00 basis

1910 4.00 to 4.10

1911 4.00

1912 4.00

The 5s of 1941 were quoted in December, 1912, on about a 5.00 basis

These bonds are considered a legal investment for savings banks in Maine.

THE LEHIGH & WILKES-BARRE COAL COMPANY

Consolidated Mortgage 4s

Dated June 1, 1910

Maturing 1915/1950

Interest payable June 1 and December 1 at the Liberty National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized, \$20,000,000

Outstanding \$16,996,000

Provisions of maturity: \$2,500,000 are payable every five years beginning June 1, 1915, the final payment being June 1, 1950.

Security: The above bonds are secured by a direct mortgage on the entire property of the company, subject only to the \$2,691,000 First 5s of 1912, and upon the retirement of these, the bonds will become a first mortgage on the company's property, including 12,900 acres of land owned

in fee in the counties of Luzerne, Carbon and Schuylkill, Pennsylvania, and 2,800 acres held on long leases. The lands owned in fee are considered the most valuable in the entire anthracite region and it is estimated they hold some 460,000,000 tons of minable coal.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Central Railroad Company of New Jersey by endorsement.

Sinking fund: The company agrees to pay the trustee annually before June 1, \$460,000 out of earnings and income to be applied to the purchase of these bonds at not exceeding par and interest. If not purchasable at this price, they may be purchased at a higher price or the fund invested in other securities at the discretion of the trustee and with the approval of the company.

Trustee: Pennsylvania Company for Insurance on Lives and Granting Annuities, Philadelphia.

The Central Railroad of New Jersey owns \$8,491,150 of the \$9,212,500 outstanding capital stock of the above company.

These bonds are considered a legal investment for savings banks in New Hampshire.

CENTRAL RAILROAD OF NEW JERSEY

Equipment Trust 4s Series "C"

Dated April 1, 1903

Maturing April 1, 1913

Interest payable April 1 and October 1 at Liberty National Bank, New York.

Coupon bonds of \$1,000.

Authorized and Issued \$3,500,000

Outstanding \$350,000

Security: The above bonds are secured on 41 locomotives, 35 passenger train cars, 1,000 steel coal cars, 1,000 box cars, 40 refrigerator cars and 525 gondola and special flat cars, costing \$3,916,492.

Trustee: Central Trust Company, New York.

CENTRAL RAILROAD OF NEW JERSEY

Equipment Trust 4s Series "D"

Dated March 1, 1905

Maturing \$150,000 yearly to March 1, 1915

Interest payable March 1 and September 1 at Liberty National Bank, New York.

Coupon bonds of \$1,000.

Outstanding \$450,000

Security: The above bonds are secured by 12 consolidation and 10 switching locomotives, 25 coaches, 5 combination, 500 box, and 1,000 steel hopper cars.

The entire issue was held in the treasury of the company as of June 30, 1912.

CENTRAL RAILROAD COMPANY OF NEW JERSEY

Equipment Trust 4s
Series "E"

Issued in 1906

Maturing \$350,000 annually to 1916

Interest payable February 1 and August 1 at Liberty National Bank, New York.

Coupon bonds of \$1,000.

Outstanding \$1,400,000

The entire issue was held in the treasury of the company as of June 30, 1912.

CENTRAL RAILROAD COMPANY OF NEW JERSEY

Equipment Trust 4s
Series "F"

Issued in 1907

Maturing \$110,000 yearly to 1917

Interest payable June 1 and December 1 at Liberty National Bank, New York.

Coupon bonds of \$1,000.

Outstanding \$550,000

The entire issue was held in the treasury of the company as of June 30, 1912.

CENTRAL RAILROAD COMPANY OF NEW JERSEY

In addition to the above described issues, there were outstanding June 30, 1912, \$7,000 in real estate mortgages.

CHICAGO & NORTHWESTERN RAILWAY COMPANY

CHICAGO & NORTHWESTERN RAILWAY COMPANY

HISTORY

The history of the Chicago & Northwestern Railway begins back in 1830 with the chartering of the Galena & Chicago Union Railroad. By 1850 this company's line had been completed from Chicago to Elgin, and the same people who built it also constructed the Chicago, Milwaukee & Fond du Lac Railroad. In the railroad crisis of 1857, which swept so many Western lines into bankruptcy just at their development stage, both the Galena & Chicago Union and the Chicago, Milwaukee & Fond du Lac Railroads went down. From their ruins rose the Chicago & Northwestern Railway. By 1865 the line had been carried through to the Mississippi River, and to the Missouri River by 1867.

The system has been enlarged from time to time through the acquisition of other roads or through extensions built chiefly by proprietary companies, all of whose stocks and bonds were owned by the Chicago & Northwestern Railway Company. From the original 177 miles, in 1859, the total mileage of the system has increased until in 1912 it embraced 7,960 miles of main track and 1,060 miles of extra main track.

Continuing its policy of expansion, during the fiscal year ending June 30, 1911, the company acquired, by purchase, the Lee County Railway, a double-tracked line extending from Nachusa to Nelson, Illinois, a distance of 12.7 miles; and the Sioux City, Dakota & Northwestern Railway, extending from a connection with the Illinois Central Railroad near Hinton, Iowa, to a connection with the Chicago & Northwestern Railway near Hawarden, Iowa, a distance of 28.2 miles. In the same year the Belle Fourche Valley Railway, a line 24 miles in length in South Dakota, and the James River Valley & Northwestern Railway, 40 miles in length, also in South Dakota, were leased.

The Chicago and Northwestern purchased the property of the Milwaukee, Sparta & Northwestern Railway Company on April 1, 1912. This company had been organized in 1910 to construct a line of 169 miles extending from Lindwern, about eight miles north of Milwaukee, to Sparta, Wisconsin, also to construct a belt line from Lindwern around Milwaukee. With the construction of this line, double-tracked and equipped with automatic block signals, a direct low-grade route has been opened between the points in question, to which a large volume of traffic now passing over heavy grades via Madison and Elroy will now be diverted.

The Chicago & Northwestern Railway Company had long felt the need of adequate terminal facilities in the city of Chicago. At a cost of millions of dollars and after several years of construction work, ample terminal properties were developed together with extensive track elevations, and put into use during the fiscal year of 1911. These include a splendidly equipped sixteen-track passenger terminal which was opened in June, 1911, and cost with approaches approximately \$22,000,000. During 1912 the new terminal handled, on an average, 51,000 people a day. To deal with this traffic required 315 trains daily.

Another very important piece of construction, which the "Northwestern" has undertaken, is the building of a ninety-mile extension known as the St. Louis, Peoria & Northwestern Railway, into the heart of the coal fields which the company owns in Illinois. This extension, it has been estimated, will cost nearly \$8,000,000 to build, owing to the thickly settled territory through which it must run. It is confidently expected, however, that this proposed line will prove a profitable investment inside of four years, since it will enable the company to transport all its own coal instead of paying freight to the Chicago & Alton, as at present.

The Chicago & Northwestern Railway Company owns 149,200 shares of the capital stock of the Chicago, St. Paul, Minneapolis & Omaha Railway Company. This holding is represented by

53,800 shares of the latter's preferred and 95,400 shares of its common stocks, thus giving the Chicago & Northwestern Railway a working control of this important railroad with more than 1,800 miles of main track. With the exception of one share, the entire capital stock of the Albany Railroad Bridge Company, which owns the railroad bridge across the Mississippi River at Clinton, Iowa, is held in the treasury of the Chicago & Northwestern Railway Company.

The company also has contracts and traffic agreements with several of the large systems in the Northwest. It has an arrangement with the Chicago, Burlington & Quincy Railroad whereby the latter has the use of the Albany Railroad Bridge Company's bridge at Clinton, at an annual rental of \$20,000; it has the joint use, with the Chicago, Rock Island & Pacific Railroad, of freight terminals at Council Bluffs, Iowa; and most important of all, it has a traffic agreement with the Union Pacific Railroad, the Southern Pacific Railway, the Oregon Short Line Railroad and the Oregon Railroad & Navigation Company, whereby a through route between Chicago and the Pacific Coast is jointly maintained.

PROPERTY

The total main track operated by the Chicago & Northwestern Railway Company at the close of the fiscal year ending June 30, 1912, was 7,960.45 miles. Of this amount 7,744.85 miles were owned in fee, 1.98 miles were operated through ownership of the entire capital stocks of the companies in question, 136.84 miles were operated under lease and 76.78 miles under trackage rights. There were 1,059.63 miles of extra main track in operation.

The Northwestern extends from Chicago, westward through the rich corn fields of Iowa, into eastern Nebraska. It extends westerly from Omaha and Sioux City to Lander, Wyoming, and to Deadwood, in the Black Hills. Another great trunk line carries the road through southern Minnesota into South Dakota; yet another northward from Chicago through Wisconsin into the great iron districts of the Michigan Peninsula. The Chicago, St. Paul, Minneapolis & Omaha carries the system to Duluth, Minneapolis and St. Paul and from there to Sioux City and Omaha.

An average of 7,858.87 miles were operated during the fiscal year 1912 and this figure is used as a basis for the following statistics.

CAPITALIZATION

The following table has been compiled from the official reports of the company for the fiscal year ending June 30, 1912, and shows the actual capitalization of the Chicago & Northwestern Railway at that time:

Capital stock:	
Preferred	\$22,398,954
Common	132,455,531
Total capital stock	\$154,854,485
Total funded debt	190,460,000
Rental capitalized @ 5%	2,575,140
Gross capitalization	\$347,889,625
Securities owned	28,550,705
Net capitalization	\$319,338,920
Net capital per mile operated	\$40,634
Average miles operated	7,858.87
Net income to net capital	7.6%
Fixed charges to net income	52.5%
Margin of safety	47.5%

During the decade ending June 30, 1912, there were three important increases in the outstanding capital stock: one in 1906, another in 1907, when additional stock was issued to provide funds for construction and for improving and equipping the railway; and the third in January, 1910, when stockholders of record were permitted to subscribe for an amount of stock equal to 25% of their respective holdings. \$30,502,800 was thus subscribed for. During this period the bonded debt per mile of the company decreased. In 1902 the bonded debt amounted to over \$26,800 per mile. In 1912 this item stood at slightly over \$24,200 per mile.

A comparison of the average net capitalization per mile of the Northwestern for the decade ending June 30, 1912, with that of the Burlington and St. Paul is given below:

	Net capital per mile	Net income to net capital
Northwestern	\$33,546	9.5%
Burlington	30,670	9.1
St. Paul	36,450	8.9

It will be seen by the foregoing that on the basis of comparative earnings the Chicago & Northwestern Railway Company has an average capitalization as low as any of the railroads of importance which handle traffic in its own immediate territory.

It will be noted that the Northwestern showed an ample margin of safety for the interest on its funded debt and other charges. 47.5% in 1912 compares with 51.0% in 1911. While fixed charges themselves increased but slightly, the surplus for the same declined from \$3,231 per mile to \$3,086. The fiscal year of 1912 was the first in nearly a decade in which the company did not earn at least twice its fixed charges.

CHARACTER OF TRAFFIC

The annual reports of the Northwestern do not itemize the traffic beyond the sources of earnings. In 1902 the ratio of freight to all traffic was 72%. During the decade this ratio has steadily declined to 63% in 1912, reducing the average ratio for ten years to about 69%.

Though generally ranked as one of the "Grangers," the Northwestern is not as dependent on grain products as some of its competitors, tapping, as it does, the ore districts of Michigan and the forest regions of Northern Minnesota and Wisconsin. Covering all the important cities in the Northwest, too, it is safe to assume that the company gets its share of merchandise traffic which must necessarily grow in volume from year to year. It is true, however, that those lines covering the grain regions of Minnesota, Nebraska, Iowa and the Dakotas must necessarily depend for their profitability to the company upon the success of the crops from year to year.

Compiled from the statistics of the company are some of the more important freight figures for the years ending June 30, 1907 to 1912 inclusive:

Freight Statistics

	1912	1911	1910	1909	1908	1907
Number of tons carried	37,266*	736,733*	39,340*	32,793*	30,600*	37,579*
Freight density	654,871	703,938	729,137	634,263	633,867	718,947
Train load tons	298.9	276.5	260.7	260.1	261.6	263.6
Freight earnings per ton mile	\$.0091	\$.0090	\$.0089	\$.0090	\$.0087	\$.0090
Freight earnings per mile	\$5,941	\$6,351	\$6,493	\$5,713	\$5,497	\$6,500

* 000 omitted.

As will be seen by the foregoing, 1910, following the comparatively poorer years of 1908 and 1909, was the big freight year of the company, in fact, the largest in its history. In 1911 there was a slight falling off in the actual freight carried, but the fractional increase in earnings per ton per mile kept the freight earnings close to the 1910 figures. The encouraging feature of the above table is the marked increase in train load tons in 1912 over those of the five years preceding. As a result of this increase in operating efficiency, the average freight revenue per train mile increased from \$2.32 in 1910 to \$2.71 in 1912, or 16%.

From year to year the passenger business of the Northwestern plays an increasingly important part in the entire traffic of the company. The following salient passenger statistics are given for the years 1907 to 1912 inclusive:

Passenger Statistics

	1912	1911	1910	1909	1908	1907
No. passengers carried	31,527*	30,330*	28,697*	26,951*	25,994*	25,574*
Passenger density	137,496	136,568	132,749	121,968	113,938	106,723
Average passenger rate per mile	\$.0181	\$.0181	\$.0182	\$.0181	\$.0181	\$.0200
Passenger earnings per mile	\$2,488	\$2,477	\$2,416	\$2,210	\$2,062	\$2,134

It will be noted that the passenger business of the company has increased steadily from year to year, while the average rate per passenger per mile has remained practically stationary since 1908, when a radical reduction was made. The rate prior to 1907 averaged higher than 2.02 cents. Coinciding with the increase in the number of passengers carried and the increase in density, it will be seen that the earnings from this source advanced. Passenger earnings per mile rose from slightly over \$2,000 in 1908 to \$2,488 in 1912, an increase of 20%.

EARNINGS

Based on the annual reports of the company for the years 1907 to 1912 inclusive, the following table is given, showing gross and net earnings, both actual and figured on the basis of miles operated:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	7,551	\$68,878,931	\$9,122	\$24,089,905	\$3,190
1908	7,631	63,219,344	8,285	21,578,031	2,828
1909	7,635	65,978,471	8,641	22,787,232	2,984
1910	7,629	74,175,684	9,723	22,022,065	2,887
1911	7,719	74,918,185	9,706	21,905,475	2,838
1912	7,859	73,698,592	9,378	20,996,748	2,672

As was the case with most of the large systems of the country, the Chicago & Northwestern suffered both in gross and net earnings from the general business depression in 1908 and 1909. The Northwestern Railway, however, was more fortunate than most roads in that it was enabled to keep its operating ratio steady during that time. The ratios of operating expenses to gross earnings for the years 1907 to 1912 inclusive were as follows:

Year	Ratio	Year	Ratio
1907	65.0%	1910	70.3%
1908	65.8	1911	70.7
1909	65.4	1912	71.5

* 000 omitted.

Although gross earnings in 1910 were the largest in the history of the company up to that time, showing an increase of over \$8,000,000 over the figures of 1909, there was an actual decrease in net earnings due to an increase in operating expenses of nearly \$9,000,000, which brought the operating ratio up to 70.3%, as shown above. This increase in operating expenses is, in part, explained by an increase of nearly \$5,500,000 in the wage account, and substantial additions to the company's maintenance accounts.

In 1911 gross earnings showed a slight increase over the high figures of 1910, but there was a slightly greater increase in operating expenses, which left the operating ratio for the year 70.7 as against 70.3 in 1910. This was due mainly to the cost of conducting transportation, resulting from the increased cost of supplies. The labor situation was well handled, and the company did not suffer either from higher wages or shorter hours. In fact, there was a saving in the wage item of \$300,000 during that year.

In 1912 the company reported gross earnings of \$1,200,000 less than in 1911, due to the decline in freight traffic. Operating expenses decreased but \$310,000, raising the operating ratio for the year from 70.7% in 1911 to 71.5%.

MAINTENANCE

The Chicago & Northwestern Railway is considered in general to be one of the best maintained roads in the West. Its charges for upkeep, however, are not so heavy as those of the Chicago, Burlington & Quincy Railroad, which is noted for its high maintenance charges. Below is a statement of the traffic density of the company, together with the charges for maintenance of way and equipment figured on the basis of miles operated, for the years ending June 30, 1907 to 1912 inclusive:

Year	Traffic density	Maintenance		Total	Per cent of total to gross earnings
		Way	Equipment		
1907 . . .	825,670	\$1,180	\$1,154	\$2,334	25.6%
1908 . . .	747,805	1,055	887	1,942	23.4
1909 . . .	756,231	1,103	1,028	2,131	24.6
1910 . . .	861,886	1,412	1,199	2,611	27.0
1911 . . .	840,506	1,296	1,205	2,501	25.7
1912 . . .	792,367	1,192	1,218	2,410	25.7

Closely paralleling the falling off in gross earnings in 1908 and 1909, is the decrease shown in maintenance charges for those years, and with the return of prosperity in 1910 a corresponding increase in upkeep is evident. In fact, during 1910 and 1911 a larger proportion of earnings was spent for maintenance than ever before.

The following comparative table shows the average traffic density and the average expenditures for maintenance of way and equipment for the six years ending June 30, 1912, for the Northwestern, the Burlington, and St. Paul Systems:

	Traffic density	Total maintenance per mile	Per cent of total to gross earnings
Northwestern	804,077	\$2,321	25.3%
St. Paul	785,417	2,108	25.3
Burlington	927,591	3,081	33.6

ADDITIONS AND BETTERMENTS

During the years 1907 to 1912 inclusive, the Chicago & Northwestern Railway Company, beside all its maintenance charges, has spent \$97,023,366 upon improvements. Figured on the basis

of the average miles operated during that period, this amount equals \$12,658 per mile, all of which has been charged to capital accounts. Enumerated below are the total annual expenditures showing the amounts utilized for construction and for the purchase of new equipment.

Year	Construction	Equipment	Total
1907	\$6,149,267	\$3,962,640	\$10,111,907
1908	6,888,386	1,099,799	7,988,185
1909	14,650,991	858,808	15,509,799
1910	24,443,015*	5,951,407	30,394,422
1911	11,554,358	3,151,132	14,705,490
1912	18,391,956†	78,393 Cr.	18,313,563
Total for 6 years			\$97,023,366
Average for 1 year			16,170,561

DIVIDENDS

Since 1880 the Chicago & Northwestern Railway Company has paid the following dividends upon its capital stock outstanding:

Year	Common	Preferred	Year	Common	Preferred
1880-1	6%	7%	1896-9	5%	7%
1882	7	7 $\frac{1}{4}$	1900-1	6	7
1883-5	7	8	1902	7	8
1886-94	6	7	1903-12	7	8
1895	4	7			

Since the close of the long business depression in 1873-1877, the Northwestern has paid dividends steadily on both its common and preferred stocks. It will be noted in the table above that following 1893, the dividend on common stock was cut as low as 4%, but it should be remembered that that was a period when more than one quarter of the railroad mileage of the country was in the hands of receivers.

The dividend rate has remained stationary since 1902, and was maintained in spite of the general business depression following 1907. This is all the more remarkable when one considers the fact that it was paid on increased capital stock for the intervening period of over \$72,000,000, a large part of which was not yet showing adequate returns.

Since the organization of the company it has paid 150 cash dividends, aggregating 308 $\frac{3}{4}$ %, or \$67,306,379, on its preferred stock, and 79 cash dividends, aggregating 241%, or \$108,192,305, on its common stock.

On June 30, 1912, the Profit and Loss Account of the company stood on its general balance sheet at \$34,186,372. This is equal to 22% of the total capital stock outstanding.

STATISTICS

Following are given capitalization, earnings, and traffic statistics of the Chicago & Northwestern Railway, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive:

* Includes \$11,032,992, the cost of the Chicago Terminal property.

† Includes \$14,506,038, the cost to date of the Milwaukee, Sparta & Northwestern Railway.

CHICAGO & NORTHWESTERN RAILWAY

Fiscal year	Preferred stock	Common stock	Funded debt	Rentals at 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$4,290	\$7,949	\$27,751	\$257	\$40,247	\$6,771	\$33,476	5,219	624
1905	3,023	6,840	22,032	181	32,076	3,074	29,002	7,408	874
1906	3,015	10,434	23,104	181	35,734	5,619	30,115	7,429	862
1907	2,967	13,502	21,879	178	38,526	6,651	31,875	7,551	973
1908	2,935	13,560	21,612	176	38,083	7,331	30,752	7,631	978
1909	2,934	13,353	22,550	176	39,013	5,734	33,279	7,635	981
1910	2,935	17,362	23,737	176	43,210	5,715	37,495	7,629	1,000
1911	2,902	17,160	23,601	333	42,996	3,754	39,242	7,719	1,027
1912	2,830	16,855	24,234	327	44,266	3,632	40,634	7,859	1,059

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$8,230	\$1,071	\$833	\$3,033	\$3,293	\$263	\$3,556	\$1,649	\$1,907
1905	7,325	1,008	866	3,047	2,604	207	2,811	1,404	1,407
1906	8,545	924	1,216	3,216	3,189	216	3,405	1,413	1,992
1907	9,122	1,180	1,154	3,598	3,190	303	3,497	1,422	2,075
1908	8,285	1,055	887	3,515	2,828	381	3,209	1,421	1,788
1909	8,641	1,103	1,028	3,526	2,984	334	3,318	1,494	1,824
1910	9,723	1,412	1,199	4,225	2,887	333	3,220	1,608	1,612
1911	9,706	1,296	1,205	4,367	2,838	393	3,231	1,598	1,633
1912	9,378	1,192	1,218	4,296	2,672	414	3,086	1,627	1,459

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock	
										Preferred	Common
1900	\$749	\$870	\$288	60.0%	23.0%	37.0%	20.0%	20.4%	15.1%	44.3%	20.1%
1905	699	621	87	65.4	25.0	40.4	14.7	23.4	9.7	46.9	17.1
1906	872	808	312	62.6	24.0	38.6	12.7	23.9	11.3	66.4	16.8
1907	1,047	...	1,028	65.0	25.6	39.4	10.6	25.5	10.7	66.7	13.1
1908	1,148	...	640	65.8	23.4	42.4	12.9	21.7	10.4	61.7	11.6
1909	1,148	...	676	65.4	24.6	40.8	13.1	22.1	10.0	63.0	11.8
1910	1,389	...	323	70.3	27.0	43.3	12.4	22.5	8.6	55.5	8.0*
1911	1,412	...	221	70.7	25.7	45.0	16.4	22.6	8.3	57.4	8.3
1912	1,387	...	72	71.5	25.7	45.8	17.3	21.2	7.6	51.2	7.3

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.55	\$2.01	\$1.57	\$5.70	\$6.22	\$0.083	\$0.198	737,577	236	75%	42,512
1905	1.67	.226	.194	.685	.565	.0092	.0202	579,434	238	71	53,519
1906	1.79	.194	.255	.674	.667	.0089	.0205	694,047	263	72	57,057
1907	1.87	.239	.234	.731	.666	.0090	.0202	718,947	264	71	59,846
1908	1.75	.222	.186	.738	.604	.0087	.0181	633,867	261	69	60,334
1909	1.78	.226	.210	.734	.620	.0090	.0181	634,263	260	69	61,282
1910	1.79	.260	.321	.777	.532	.0089	.0182	729,137	261	67	65,971
1911	1.88	.251	.333	.847	.549	.0090	.0181	703,938	277	65	64,511
1912	1.92	.244	.349	.878	.549	.0090	.0181	654,871	299	63	93,034

* Increase of common stock reduced per cent earned.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Chicago & Northwestern Railway System, together with the bases upon which they have sold during the decade ending December 31, 1912:

CHICAGO & NORTHWESTERN RAILWAY

General Mortgage Gold 3½s and 4s

Dated November 1, 1897

Maturing November 1, 1987

Interest payable May 1 and November 1 at Company's office, 111 Broadway, New York.

Registered bonds payable quarterly, February 1.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$165,000,000

Outstanding, 4s, \$22,500,000

3½s, 30,827,000

Per mile. . . . 10,570

Provisions of issue: Of the total amount authorized, \$53,327,000 are outstanding, as above, \$489,000 are held in sinking funds, \$82,954,500 are reserved to retire outstanding bonds to that amount, \$5,910,000 are owned by the company, and the balance has been reserved for additions, improvements and equipment.

Security: The above bonds are secured by a direct mortgage on 5,043 miles of road, realty (excluding land grants), specified securities, equipment and future acquisitions. They are secured by a first mortgage on 1,750 miles, a second mortgage on 2,759 miles, and a third mortgage on 534 miles.

It is provided in one of the sections of this mortgage that nothing therein shall be construed to enlarge or enhance in any way the value of prior bonds, which, if taken alone, seems to conflict with the provisions of the indentures securing the Debenture 5s of 1921 and the Sinking Fund Debenture 5s of 1933.

Trustee: The United States Trust Company, New York, and John A. Stewart, Esq.

Equity: The above bonds are subject to \$62,964,500 prior liens. A sufficient amount of this issue has been reserved to retire the same.

The General Mortgage 4s sold in 1911 on a 4.00 to 4.125 basis

1912 4.05 4.20

The General Mortgage 3½s sold in 1902 on a 3.27 to 3.40 basis

1903 3.45 3.67

1904 3.50 3.67

1905 3.45 3.52

1906 3.50 3.70

1907 3.57 4.05

1908 3.65 3.95

1909 3.70 3.95

1910 3.90 4.05

1911 4.00 4.15

1912 4.05 4.25

These bonds are considered a legal investment for savings banks in New England.

CHICAGO & NORTHWESTERN RAILWAY

Collateral Trust Sinking Fund Currency 5s and 6s

Dated October 1, 1879

Maturing October 1, 1929

Interest payable April 1 and October 1 at the company's office, 111 Broadway, New York,
and in pounds sterling in London.

Coupon bonds of \$500 and \$1,000, fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$15,000,000

Outstanding, 5s, \$6,128,000

6s, 5,246,000

Per mile. . . . 10,880

Provisions of issue: Under the terms of the mortgage of the Chicago & Northwestern General Mortgage 3½s of 1987, no more of these bonds may be issued.

Security: The above bonds are a direct obligation of the company. They are, in effect, a first mortgage on 1,045 miles of road, being a first collateral lien on the entire issues of first mortgage bonds of a number of companies, aggregating an amount equal to the amount of bonds outstanding of this issue, and covering by first lien the above mileage.

Redemption: These bonds are redeemable for the sinking fund at 105 and interest. Commencing October, 1884, a sum in each year equal to 1% of the bonds then outstanding has been applied to the purchase and redemption of these bonds. When these bonds have been cancelled, the trustee has delivered to the company an equal amount of first mortgage bonds held thereunder, selected from all classes in proportion. These bonds have been likewise immediately cancelled. Up to the present time \$3,626,000 of the above issue have been thus retired and cancelled by the sinking fund.

Equity: The first mortgage bonds deposited hereunder as collateral are prior in lien to the General 3½s of 1987 of which a sufficient amount is reserved to retire these Collateral Trust 5s and 6s or the bonds deposited hereunder.

Trustee: Farmers' Loan & Trust Company, New York.

The Collateral Trust 5s of 1929 sold in 1902 on a 4.37 to 4.60 basis

1903	4.37	4.60
1904	4.30	4.45
1905	4.10	4.35
1906	3.90	4.55
1907	4.50	4.70
1908	4.27	4.37
1909	4.25	4.40
1910	4.25	4.60
1911	4.37	4.70
1912	4.45	4.55

[Table continued on page 158]

The Collateral Trust 6s of 1929 sold in 1902 on a 4.80 to 5.00 basis

1903	5.05	5.15
1904	4.87	5.30
1905	4.70	4.95
1906	4.95	5.15
1907	5.45	5.60
1908	5.12	5.40
1909	5.05	5.20
1910	5.05	5.125
1911	5.00	
December, 1912	5.15 (bid)	

These bonds are considered a legal investment for savings banks in New Hampshire and Massachusetts.

CHICAGO & NORTHWESTERN RAILWAY

Collateral Trust Extension Currency 4s

Dated April 15, 1886

Maturing August 15, 1926

Interest payable February 15 and August 15 at Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$20,000,000

Outstanding \$17,670,000

Provisions of issue:	The amount of these bonds authorized for the construction or purchase of roads at not exceeding \$20,000 per mile is \$20,000,000. This amount has been limited to \$18,632,000, of which \$17,670,000 are outstanding, as above, and \$962,000 held by the company.
Security:	The above bonds are, in effect, a first mortgage on 447.6 miles of road, being a first collateral lien on the entire issues of first mortgage bonds of a number of companies, all maturing in 1926, aggregating \$7,957,000, and covering by first liens the above mileage. The above bonds are further secured by a first collateral lien on \$10,675,000 out of a total of \$18,400,000 Fremont, Elkhorn & Missouri Valley 6s of 1933, covering 1,172 miles of road.
Equity:	The first mortgage bonds deposited under this issue are prior in lien to the General 3½s of 1987, a sufficient number of which have been reserved to retire this issue.
Trustee:	Union Trust Company, New York.

These bonds sold in 1902 on a 3.55 to 3.67 basis

1903	3.70	3.95
1904	3.65	3.80
1905	3.60	3.67
1906	3.65	3.875
1907	3.85	4.10
1908	4.05	4.10
1909	3.85	4.05
1910	3.90	4.30
1911	4.02	4.27
1912	4.20	4.35

These bonds are considered a legal investment for savings banks in New Hampshire, Vermont, Massachusetts and Rhode Island.

CHICAGO & NORTHWESTERN RAILWAY

Sinking Fund Debenture Currency 5s

Dated May 1, 1888

Maturing May 1, 1933

Interest payable May 1 and November 1 at Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$10,000,000

Outstanding \$9,695,000

Security: These debentures are a direct obligation of the company, and are secured by an indenture which provides that no further mortgage shall be placed on the property without equally securing these bonds.

Sinking fund: Annually \$200,000 is to be applied to the purchase and cancellation of these debentures at not exceeding 105 and interest, but if not so purchasable the company shall be released from the liability that year. Up to the present time \$305,000 have been cancelled by this fund.

Equity: The General Mortgage $3\frac{1}{2}$ s of 1887, executed in 1897, do not equally secure these debentures. The indenture states that "nothing in the indenture shall be construed to enlarge the security of any outstanding bonds." A sufficient amount of General Mortgage $3\frac{1}{2}$ s of 1887 have been reserved to retire these bonds.

Trustee: Union Trust Company, New York.

These bonds sold in 1902 on a 3.70 to 4.00 basis

1903	3.95	4.15
1904	3.95	4.10
1905	3.85	4.05
1906	3.95	4.20
1907	4.05	4.65
1908	4.12	4.40
1909	4.10	4.375
1910	4.22	4.375
1911	4.28	4.50
1912	4.37	4.40

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

CHICAGO & NORTHWESTERN RAILWAY

Debenture Currency 5s

Dated February 28, 1891

Maturing April 15, 1921

Interest payable April 15 and October 15 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$10,000,000

Outstanding \$9,819,000

Provisions of issue: Of the \$10,000,000 authorized, \$9,819,000 are outstanding as above and the balance is held in sinking funds of the company.

Security: These debentures are a direct obligation of the issuing company, secured by an indenture which provides that no further mortgage shall be placed on the property of the company, without equally securing these bonds. The General $3\frac{1}{2}\%$ Mortgage, executed in 1897, does not equally secure these debentures, stating that "nothing in the indenture shall be construed to enlarge the securities of any outstanding prior bonds."

A sufficient amount of the General $3\frac{1}{2}\%$ of 1887 has been reserved to retire this issue at maturity.

Trustee: Union Trust Company, New York.

These bonds sold in 1902 on a 3.70 to 4.05 basis

1903	4.12	4.55
1904	4.12	4.375
1905	3.80	4.02
1906	3.90	4.50
1907	4.35	5.00
1908	4.12	4.40
1909	4.00	4.25
1910	4.20	4.40
1911	4.25	4.40
1912	4.25	4.62

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

CHICAGO & NORTHWESTERN RAILWAY

Consolidated Mortgage Sinking Fund Currency 7s

Dated January 16, 1865

Maturing February 1, 1915.

Interest quarterly, February 1, at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered holders have one vote for each \$100 par value.

Authorized \$12,900,000

Outstanding \$12,832,000
(Closed mortgage)
Per mile . . . \$16,451

Provisions of issue: Under the terms of the mortgage of the Chicago & Northwestern General Mortgage $3\frac{1}{2}\%$ of 1887, no more of these bonds may be issued.

Security: The above bonds are secured by a first mortgage on 780 miles of road and equipment, including the line from Chicago to Green Bay, Wis.

Sinking fund: Semi-annually \$20,000 is set aside as a sinking fund to purchase these bonds at not exceeding 110 and interest. If not so purchasable the fund shall be invested as trustees deem proper.

Equity: The above bonds are limited by the terms of the General Mortgage $3\frac{1}{2}\%$ of 1887 to the amount at present outstanding. They are prior in lien to the General $3\frac{1}{2}\%$, which provide for the retirement of this issue at maturity.

These bonds sold in 1902 on a 3.12 to 3.70 basis

1903	3.50	3.85
1904	3.60	3.88
1905	3.47	3.85
1906	3.60	4.35
1907	3.95	5.12
1908	3.95	4.45
1909	3.88	4.50
1910	4.10	4.62
1911	3.75	4.85
1912	4.15	5.25

These bonds are considered a legal investment for savings banks in New England.

SIoux CITY & PACIFIC RAILROAD

First Mortgage Gold 3½s

Dated August 1, 1901

Maturing August 1, 1936

Interest payable February 1 and August 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$4,000,000

Outstanding \$3,926,000
Per mile . . . 32,285

Provisions of issue: Of the \$4,000,000 authorized, \$3,926,000 are outstanding as above, and the balance, \$74,000, is held in the sinking funds of the company.

Security: The above bonds are secured by a first mortgage on about 121.58 miles of road, including the line from Sioux City to California Junction, Ia., 70 miles, and from Blair to Fremont, Neb., 28.4 miles.

These bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Trustee: Farmers' Loan & Trust Company, New York.

The Sioux City & Pacific Railroad was chartered August 1, 1864. The road was opened from Missouri Valley to Sioux City and from California Junction to Fremont on February 11, 1869. On August 28, 1901, the property was purchased by the Chicago & Northwestern Railway Company, subject to a mortgage securing the \$4,000,000 bonds mentioned above, which were assumed by the purchaser. Until 1903 the two roads were operated independently, but at that time they were consolidated into the Chicago & Northwestern Railway Company.

These bonds were sold in 1909 on a 4.30 basis

1910	4.35
1911	4.375
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England.

FREMONT, ELKHORN & MISSOURI VALLEY RAILROAD

Consolidated First Mortgage Currency 6s

Dated October 1, 1883

Maturing October 1, 1933

Interest payable April 1 and October 1 at Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$25,000 per mile

Outstanding \$7,725,000
Per mile . . . 6,590

Provisions of issue: Besides the amount outstanding above, there are \$10,675,000 of this issue owned by the Chicago & Northwestern Railway Company, and pledged under its Extension 4s of 1926. No further bonds of this issue may be issued.

Security: The above bonds are secured by a first mortgage on 1,172 miles of road including the lines from Fremont, Neb., via Albion, to the Nebraska-Wyoming State Line, 469 miles, and from Dakota Junction, Neb., to Deadwood, S. D., 145 miles. This issue is further secured by a first mortgage on all the equipment of the lines in question and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

The Fremont, Elkhorn & Missouri Valley Railroad was chartered January 20, 1869, and the road was opened for traffic in August, 1871. On September 1, 1901, this company took over the operation of the Fremont Branch of the Sioux City & Pacific Railroad, under a lease from the Chicago & Northwestern Railway. On February 10, 1903, the stockholders and voting bondholders of the latter company voted to purchase the property and franchises of this company. Since this consolidation became effective in 1903, the Fremont, Elkhorn & Missouri Valley Railroad has been operated as the Nebraska & Wyoming Division of the Chicago & Northwestern Railway.

These bonds sold in 1902 on a 3.85 to 3.90 basis

1903	3.85	3.95
1904	3.80	3.85
1905	3.65	3.75
1906	3.80	4.05
1907	4.20	
1908	4.05	4.15
1909	3.875	
1910	4.15	4.20
1911	4.05	4.125
December, 1912	4.40	

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE & STATE LINE RAILWAY

First Mortgage Gold $3\frac{1}{2}\%$

Dated January 2, 1906

Maturing January 1, 1941

Interest payable January 1 and July 1, at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$2,500,000

Outstanding \$2,500,000

Per mile . . . 50,000

Security: The above bonds are secured by a first mortgage on the road from St. Francis, near Milwaukee, Wis., to Lake Bluff, Ill., 50.24 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

The Milwaukee & State Line Railway Company was chartered February 11, 1905, under the laws of Wisconsin. The road was completed with money advanced by the Chicago & Northwestern Railway Company and upon completion was leased (July 1, 1906) to the latter company under the laws of Wisconsin, which permit such action as precedent to the final purchase and sale, which was consummated January 30, 1909. On February 1, 1909, the company began operation as a part of the Chicago & Northwestern Railway System.

These bonds were sold in 1909 on a 4.25 basis

1910 4.30

1911 4.375

December, 1912 4.40 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

MANITOWOC, GREEN BAY & NORTHWESTERN RAILWAY

First Mortgage Gold $3\frac{1}{2}\%$

Dated January 2, 1906

Maturing January 1, 1941

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$3,750,000

Outstanding \$3,750,000

Per mile . . . 33,185

Security: These bonds are secured by a first mortgage on the road from Eland Junction via Green Bay to Manitowoc, Wis., 98 miles, and from Pulaski to Gillette, Wis., 15 miles, totalling 113 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

The Manitowoc, Green Bay & Northwestern Railway was chartered November 22, 1904, under the laws of Wisconsin. The road was opened from Pulaski to Gillette, December 10, 1906, and from Manitowoc to Eland Junction, January 15, 1907. This road was completed with money advanced by the Chicago & Northwestern Railway, and upon completion was leased (July 1, 1906) to the latter company under the laws of Wisconsin, which permit such action as precedent to the final purchase and sale, which was consummated January 30, 1909. On February 1, 1909, the company began operation as part of the Chicago & Northwestern Railway System.

These bonds were sold in 1909 on a 4.05 basis

1910	4.30
1911	4.37
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England except Connecticut.

NORTHWESTERN UNION RAILWAY

First Mortgage Sinking Fund Gold 7s

Dated June 1, 1872

Maturing June 1, 1917

Interest payable March 1 and September 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$3,500,000

Outstanding \$3,365,000
Per mile . . . 53,755

Provisions of issue: Of the \$3,500,000 authorized, \$3,365,000 are outstanding as above, and the balance, \$135,000, is held in the sinking fund.

Security: The above bonds are secured by a first mortgage on the company's line from Milwaukee to Fond du Lac, Wis., 62.63 miles, and the equipment of the line and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Sinking fund: Annually \$15,000 is to be applied to the purchase of these bonds at not exceeding par and interest, and if not so purchasable, to be applied to the purchase of other Chicago & Northwestern bonds at not exceeding par. Bonds thus purchased are to be kept alive. \$135,000 of this issue are at present held in this sinking fund.

Equity: The above bonds are prior in lien to the General 3½s of 1887, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: The Farmers' Loan & Trust Company, New York.

The Northwestern Union Railway was chartered under the laws of Wisconsin as the Milwaukee & Northwestern Railway on February 25, 1871. It took its present name May 4, 1872. The

road was opened for traffic September 17, 1873, and for its construction the above issue was executed under the guarantee of the Chicago & Northwestern Railway Company, which operated the line as a proprietary road until it was consolidated into the Chicago & Northwestern System in 1883.

These bonds were quoted in 1909 on a 4.35 basis (bid)

1910	4.45
1911	4.15
December, 1912	4.95

These bonds are considered a legal investment for New England savings banks.

IOWA, MINNESOTA & NORTHWESTERN RAILWAY

First Mortgage Gold 3¹/₂s

Dated January 1, 1900

Maturing January 1, 1935

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$3,900,000

Outstanding \$3,900,000
Per mile . . . 20,103

Security: The above bonds are secured by a first mortgage on 194.16 miles of line extending from Belle Plain, Ia., via Mason City, to Fox Lake, Minn., also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

The Iowa, Minnesota & Northwestern Railway (incorporated under the laws of Iowa) was constructed by funds of the Chicago & Northwestern Railway. In 1900 it was completed and opened for traffic, and became an integral part of the Chicago & Northwestern System.

These bonds were quoted in 1909 on a 4.125 basis (bid)

1910	4.35
1911	4.40
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England.

BOYER VALLEY RAILWAY

First Mortgage Gold 3½s

Dated December 1, 1898

Maturing December 1, 1923

Interest payable June 1 and December 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$1,440,000

Outstanding \$1,440,000
Per mile . . . 16,744

Security: These bonds are secured by a first mortgage upon the company's lines from Wall Lake to Dennison, Ia., 24.8 miles, and from Boyer to Mondamin, Ia., 61.30 miles, totalling 86.10 miles; also upon equipment and future acquisitions.

The bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

In 1899 the Chicago & Northwestern Railway organized several proprietary companies to protect its existing traffic against competitors and to acquire new business. Among the companies thus formed was the Boyer Valley Railway Company with its two lines, one extending from Wall Lake to Dennison, Iowa, and the other from Boyer to Mondamin, Iowa. This road was opened for traffic on November 12, 1899. At a meeting of the directors on December 8, 1899, proceedings were commenced to merge these proprietary companies, and the union was completed in the succeeding fiscal year.

These bonds were quoted in December, 1912 on a 4.50 basis (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

PRINCETON & NORTHWESTERN RAILWAY

First Mortgage Gold 3½s

Dated January 1, 1901

Maturing January 1, 1926

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York City.

Coupon bonds of \$1,000, fully registerable.
Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$2,100,000

Outstanding \$1,940,000
Per mile . . . 19,400

\$160,000 of these bonds are held in the sinking fund of the company.

Security: The above bonds are secured by a first mortgage on the company's lines as follows: Princeton to Marshfield, Wis., 85.69 miles; Grand Rapids to Nekoosa, Wis., 6.88; Red Granite Junction to Red Granite, Wis., 7.85 miles, totalling 100.42 miles, also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

The Princeton & Northwestern Railway Company (incorporated under the laws of Wisconsin) was constructed from the proceeds of the sale of the above bonds in 1901. It was opened for traffic on December 2 of that year and became an integral part of the Chicago & Northwestern Railway System from that time.

These bonds were quoted in 1909 on a 4.20 basis (bid)

1910	4.375
1911	4.375
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England.

PEORIA & NORTHWESTERN RAILWAY

First Mortgage Gold 3½s

Dated March 1, 1901

Maturing March 1, 1926

Interest payable March 1 and September 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$2,125,000

Outstanding \$2,125,000

Per mile . . . 25,602

Security: The above bonds are secured by a first mortgage on the company's lines from Peoria to Nelson, Ill., a distance of 82.98 miles, also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

The Peoria & Northwestern Railway (incorporated under the laws of Illinois) was constructed from the proceeds of the sale of the above bonds in 1901. It was opened for traffic on January 20, 1902, and became an integral part of the Chicago & Northwestern Railway System from that time.

These bonds were quoted in 1909 on a 4.20 basis (bid)

1910	4.375
1911	4.375
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England except Vermont.

MINNESOTA & SOUTH DAKOTA RAILWAY

First Mortgage Gold $3\frac{1}{2}\%$

Dated January 1, 1900

Maturing January 1, 1935

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$528,000

Outstanding \$528,000

Per mile . . . 16,375

Security: The above bonds are secured by a first mortgage on the company's line from Tyler, Minn., to Astoria, S. D., a distance of 32.20 miles.

The bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

In 1899, in order to reach new business developing in South Dakota, plans were made to construct a line from Tyler, Minnesota, to Astoria, South Dakota, to be known as the Minnesota & South Dakota Railway Company. In 1900 this line was completed from the proceeds of the sale of the above bonds. From the time of its completion it was merged, along with the Dakota Central and the Mankato & New Ulm Railway Companies, into the Winona & St. Peter Railroad. The latter company, when formed, together with the Boyer Valley, the Boone County, the Harlan & Kirkman, Minnesota & Iowa, and Iowa, Minnesota and Northwestern Railway Companies, was absorbed by the Chicago & Northwestern.

These bonds are considered a legal investment for savings banks in New England except Vermont.

MINNESOTA & IOWA RAILWAY

First Mortgage Gold $3\frac{1}{2}\%$

Dated June 1, 1899

Maturing June 1, 1924

Interest payable June 1 and December 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000.

Authorized \$1,904,000

Outstanding \$1,904,000

Per mile . . . 16,000

Security: The above bonds are secured by a first mortgage on the company's lines from Burt, Ia., to Vesta, Minn., 119.10 miles; also on future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Trustee: Farmers' Loan & Trust Company, New York.

Like the Minnesota & South Dakota Railway, the Minnesota & Iowa Railway was constructed to develop new business in Iowa and Minnesota. In 1900 it was consolidated into the Chicago & Northwestern Railway.

These bonds were quoted in 1909 on a 4.10 basis (bid)

1910	4.25
1911	4.40
December, 1912	4.45

These bonds are considered a legal investment for savings banks in New England.

CEDAR RAPIDS & MISSOURI RIVER RAILROAD

First Mortgage Currency 7s

Dated May 1, 1866

Maturing May 1, 1916

Interest payable May 1 and November 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$500 and \$1,000.

Authorized \$2,500,000

Outstanding \$2,332,000
Per mile . . . 15,547

Provisions of issue: Under the terms of the mortgage of the Chicago & Northwestern General Mortgage $3\frac{1}{2}$ s of 1987, no more of these bonds may be issued.

Security: The above bonds are secured by a first mortgage on the company's line from the east bank of the Des Moines River to the Missouri River at Council Bluffs, Ia., a distance of 149.60 miles, and all railway lands, buildings, appurtenances and franchises now owned or hereafter acquired.

These bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Equity: These bonds are prior in lien to the General $3\frac{1}{2}$ s of 1987, a sufficient number of which have been reserved to retire this issue at maturity.

The Cedar Rapids & Missouri River Railroad was organized under the laws of Iowa on June 14, 1859, and was completed in February, 1867. In 1862 it was leased in perpetuity to the Galena & Chicago Union Railroad. On June 2, 1864, the Galena & Chicago Union Railroad consolidated with the Chicago & Northwestern Railway under the name of the latter. In June, 1884, the Cedar Rapids & Missouri River Railroad was merged with the Chicago & Northwestern Railway.

These bonds sold in 1903 on a 3.72 to 4.10 basis

1904	3.90	4.02
1905	3.75	5.62
1906	4.125	
1908	4.30	4.45
1909	4.45	(bid)
1910	4.30	to 4.40
1911	4.35	4.375
December, 1912	4.95	(bid)

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE, LAKE SHORE & WESTERN RAILWAY

Consolidated Mortgage 6s

Dated May 2, 1881

Maturing May 1, 1921

Interest payable May 1 and November 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$5,000,000

Per mile . . . 12,107

Security: The above bonds are secured by a first mortgage on the company's lines as follows: from Milwaukee north via Manitowoc and Clintonville, to the Wisconsin-Michigan State Line, 287.44 miles; Monica Junction to Mercer, 64.83 miles; Hortonville to Oshkosh, 23.10 miles; Eland Junction to Wausau, 23.87 miles; branches aggregating 13.62 miles; totalling 412.86 miles, all in Wisconsin; also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway.

Equity: These bonds are prior in lien to the Milwaukee, Lake Shore & Western Improvement and Extension 5s; also to the Chicago & Northwestern General 3½s of 1887, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company of New York.

A brief history of the Milwaukee, Lake Shore & Western Railway Company may be found under the description of its Extension & Improvement Mortgage Sinking Fund 5s on page 173.

These bonds sold in 1902 on a 3.30 to 3.70 basis

1903	3.55	3.875
1904	3.65	3.85
1905	3.45	3.80
1906	3.67	4.00
1907	3.80	4.90
1908	3.95	4.17
1909	3.90	4.12
1910	4.05	4.375
1911	4.10	4.30
1912	4.00	4.60

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE, LAKE SHORE & WESTERN RAILWAY

Michigan Division First Mortgage 6s

Dated June 20, 1884

Maturing July 1, 1924

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$1,281,000

Per mile . . . 15,815

Security: The above bonds are secured by a first mortgage on the company's line from the Wisconsin-Michigan State Line via Watersmeet to Radford, Mich., a distance of about 20 miles; from Watersmeet to Hurley, Wis., about 60 miles, totalling 81.28 miles; also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Equity: These bonds are prior in lien to the Milwaukee, Lake Shore & Western Improvement & Extension 5s of 1929; also to the Chicago & Northwestern General 3½s of 1887, a sufficient amount of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

A brief history of the Milwaukee, Lake Shore & Western Railway Company may be found under the description of its Extension & Improvement Mortgage Sinking Fund 5s on page 173.

These bonds sold in 1902 on a 3.45 basis		
1903	3.70	3.95 basis
1904	3.65	3.72
1905	3.67	
1906	3.80	
1909	3.90	3.95
1910	4.25	
1911	4.15	4.35
1912	4.22	

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE, LAKE SHORE & WESTERN RAILWAY

Ashland Division First Mortgage 6s

Dated March 2, 1885

Maturing March 1, 1925

Interest payable March 1 and September 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 25,250

Security: The above bonds are secured by a first mortgage on the company's line from Hurley to Ashland, Wis., a distance of 39.62 miles; also on equipment and future acquisitions.

The bonds have been ASSUMED by the Chicago & Northwestern Railway.

Equity: These bonds are prior in lien to the Milwaukee, Lake Shore & Western Improvement and Extension 5s; also to the Chicago & Northwestern General 3½s of 1887, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company of New York.

A brief history of the Milwaukee, Lake Shore & Western Railway Company may be found under the description of its Extension & Improvement Mortgage Sinking Fund 5s given below.

These bonds were quoted in 1909 on a 4.10 basis (bid)

1910 4.375

1911 4.40

December, 1912 4.55

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE, LAKE SHORE & WESTERN RAILWAY

Extension & Improvement Mortgage Sinking Fund 5s

Dated February 1, 1889

Maturing February 1, 1929

Interest payable February 1 and August 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal only.

Authorized \$5,000,000

Outstanding \$4,148,000

Per mile . . . 6,343

Provisions of issue: Of the \$5,000,000 authorized, \$4,148,000 are outstanding as above, and \$40,000 are held in the treasury of the company. No more of these bonds may be issued under the terms of the mortgage of the General 3½s of 1887.

Security: These bonds are secured by a first mortgage on the company's lines from Hurley to Mercer, 23.28 miles; Hurley to Osborn, 12.97 miles; Pratt Junction to Harrison, 17.53 miles; branches and extensions to iron mines, 34.22 miles; spurs to industrial establishments, 21.44 miles;

other branches 10.61 miles, totalling 120.05 miles, all in Wisconsin; also on docks, equipment and future acquisitions. Also, by a second mortgage on 412.86 miles covered by the first lien of the Milwaukee, Lake Shore & Western Consolidated 6s; on the 81.28 miles covered by the first mortgage of Milwaukee, Lake Shore & Western, Michigan Division First 6s, and on the 39.62 miles covered by the first lien of the Milwaukee, Lake Shore & Western Ashland Division First 6s.

The bonds have been ASSUMED by the Chicago & Northwestern Railway.

Sinking fund: Beginning August 1, 1893, 1% annually (but not less than \$25,000 per annum) is to be applied to the purchase of these bonds at 110 and interest. If not so purchasable, the money is to be invested in other bonds of the company.

Equity: These bonds are prior in lien to the Chicago & Northwestern Railway General 3½s of 1887, a sufficient amount of which have been reserved to retire them. They are subject to \$5,000,000 Milwaukee, Lake Shore & Western Consolidated 6s of 1921; to \$1,000,000 Ashland Division 6s of 1925, and to \$1,281,000 Michigan Division 6s of 1924.

Trustee: Central Trust Company of New York.

The Milwaukee, Lake Shore & Western Railroad was chartered March 10, 1870, under the name of the Milwaukee, Manitowoc & Green Bay Railroad Company. On May 31, 1872, the name of the road was changed to Milwaukee, Lake Shore & Western Railroad Company. As the result of a foreclosure and reorganization in 1875, the company's name was again changed to that of the Milwaukee, Lake Shore & Western Railway.

In August, 1893, the latter was merged into the Chicago & Northwestern Railway Company and is now operated as the Ashland Division of the System.

These bonds sold in 1902 on a 3.375 to 3.625 basis

1903	3.72	4.10
1904	3.80	3.90
1905	3.72	3.80
1906	3.82	4.00
1907	4.00	4.10
1908	4.05	4.26
1909	3.90	4.15
1910	4.05	4.30
1911	4.125	4.25
1912	4.15	4.25

These bonds are considered a legal investment for savings banks in New England except Maine.

MILWAUKEE, LAKE SHORE & WESTERN RAILWAY

Marshfield Extension First Mortgage Currency 5s

Dated October 1, 1892

Maturing October 1, 1922

Interest payable April 1 and October 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$600,000

Outstanding \$400,000
Per mile . . . 10,000

Security: The above bonds are secured by a first mortgage on the company's line from Wausau to Marshfield, Wis., a distance of 40 miles; also on equipment and future acquisitions.

The bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Equity: The bonds are prior in lien to the Chicago & Northwestern General 3½s of 1887, a sufficient amount of which have been reserved to retire this issue at maturity.

Trustee: Union Trust Company of New York.

A brief history of the Milwaukee, Lake Shore & Western Railway Company may be found under the description of its Extension & Improvement Mortgage Sinking Fund 5s on page 173.

These bonds were quoted in 1909 on a 4.25 basis (bid)

1910	4.40
1911	4.35
December, 1912	4.375

These bonds are considered a legal investment for savings banks in New England.

WINONA & ST. PETER RAILROAD

First Mortgage Sinking Fund Extension 7s

Dated December 1, 1871

Maturing December 1, 1916

Interest payable June 1 and December 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Authorized \$4,375,000

Outstanding \$4,038,500
Per mile . . . 21,948

Provisions of issue: Of the \$4,375,000 authorized, \$4,038,500 are outstanding as above, and \$202,500 are held in the sinking fund. No more of these bonds may be issued under the mortgage of the General 3½s of 1887.

Security: The above bonds are secured by a first mortgage on the company's line from St. Peter, Minn., to Watertown, S. D., a distance of 183.98 miles; also on equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Sinking fund: The company agrees to set aside \$23,000 annually to purchase these bonds at par and interest, but if not so purchasable to be invested in other bonds of the Chicago & Northwestern System at par and interest or invested under the direction of the trustees.

Equity: These bonds are prior in lien to the General 3½s of 1987, a sufficient number of which have been reserved to retire this issue.

Trustee: Farmers' Loan & Trust Company, New York.

The control of the Winona & St. Peter Railroad was purchased by the Chicago & Northwestern Railway Company in 1867. At that time the line extended from Winona, Minnesota, westerly 105 miles. In 1900 it was consolidated, with other roads, into the Chicago & Northwestern System.

These bonds were quoted in 1909 on a 4.15 basis (bid)

1910 4.375

These bonds were sold in 1911 on a 3.95 basis

1912 4.00 to 4.50

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE, SPARTA & NORTHWESTERN RAILWAY

First Mortgage 4s

Dated March 1, 1912

Maturing March 1, 1947

Interest payable March 1 and September 1 at New York City.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000. Coupon and registered bonds interchangeable.

Authorized \$15,000,000

Outstanding \$15,000,000

Per mile . . . 84,035

Security: These bonds are secured by a first mortgage on the entire line, consisting of 178.48 miles of road, from Lindworm to Sparta, Wis., 169.85 miles; West Allis to Lindworm, Wis., 8.63 miles; also on terminal yards, tracks and buildings in the suburbs of Milwaukee.

These bonds have been ASSUMED by the Chicago & Northwestern Railway Company.

Trustees: Farmers' Loan & Trust Company, New York, and Edwin S. Marston, Esq.

These bonds sold in 1912, on a 4.35 to 4.40 basis

These bonds are considered a legal investment for savings banks in Maine and Rhode Island.

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

CHICAGO, BURLINGTON & QUINCY RAILROAD COMPANY

HISTORY

The Chicago, Burlington & Quincy Railroad Company was chartered February 12, 1849, under the laws of the State of Illinois, as the Aurora Branch Railroad Company. On June 22, 1852, this name was changed to the Chicago & Aurora Railroad Company, its present title being assumed February 14, 1855. At that time the company's line extended from Chicago to Mendota, Illinois, with a branch from Aurora to West Chicago. From this small beginning has risen a powerful trunk line system, the result of purchases from time to time of small lines under foreclosure, consolidations, and construction under the charters of various proprietary companies.

There were important additions to the system in 1908, when, by deeds dated February 15th of that year, the company acquired by purchase the following-named lines west of the Missouri River:

- Atchison & Nebraska Railroad.
- Beaver Valley Railroad.
- Burlington & Colorado Railroad.
- Cheyenne & Burlington Railroad.
- Chicago, Nebraska & Kansas Railroad.
- Colorado & Wyoming Railroad.
- Denver & Montana Railroad.
- Denver, Utah & Pacific Railroad.
- Kansas City & Omaha Railway.
- Lincoln & Black Hills Railroad.
- Lincoln & Northwestern Railroad.
- Nebraska Railway.
- Nebraska & Colorado Railroad.
- Nebraska, Wyoming & Western Railroad.
- Omaha & North Platte Railroad.
- Omaha & Southwestern Railroad.
- Oxford & Kansas Railroad.
- Republican Valley & Wyoming Railroad.
- Republican Valley, Kansas & Southwestern Railroad.

On December 1, 1908, the company acquired by purchase the following-named roads:

- Fulton County Narrow Gauge Railway.
- Northern & Southern Illinois Railroad.
- Big Horn Railroad.
- Sioux City & Western Railway.

From 1901 to 1907 the Chicago, Burlington & Quincy Railroad was operated under a lease by the Chicago, Burlington & Quincy Railway Company. The lease was dated November 20, 1901, and conveyed all the railroad and property of the former to the latter for a term of 99 years. By the terms of the lease the Railway Company assumed all the contracts and obligations of the Railroad Company and agreed to pay as rental the interest on outstanding bonds and such additional

bonds as should be issued during the term of the lease, sinking funds, taxes, and quarterly dividends at the rate of 7% per annum on the outstanding capital stock. The Railway Company operated the property until June 30, 1907, when the lease was rescinded by mutual agreement, and the Chicago, Burlington & Quincy Railroad Company again resumed possession of the property and the operation thereof.

In 1901 the Northern Pacific Railway Company and the Great Northern Railway Company acquired an interest in the capital stock of the Burlington, by the purchase thereof jointly, and issued in payment Joint Bonds of the Northern Pacific Company and the Great Northern Company, subject to the following agreement:

1. That the two companies should purchase all, or not less than two-thirds, of the entire capital stock of the Burlington Company, and in payment for such stock they should issue their joint bonds at the rate of \$1,000, par value, of such joint bonds for each \$500, par value, of the stock so purchased.
2. That all the stock so purchased should be assigned to the trustee of the bonds as security for the payment of the same and the interest thereon.
3. That each of the railway companies should pay one-half the principal and interest on such bonds, and that, if either of such companies should default its obligations to the other in respect to such bonds for any interest whatever, the purchased stock belonging to the defaulting company should become the property of the company not in default, and the latter should be liable in severalty upon all the covenants in the said bonds contained.

At the time of the acquisition, 1,066,600 shares of the capital stock of the Chicago, Burlington & Quincy Railroad Company were delivered to the trustee, and the bonds were issued at the rate of \$1,000, par value, in bonds for each \$500, par value, of stock purchased. On June 30, 1912, the trustee of the issue held 1,076,135 shares of Burlington stock, 98% of the entire amount.

CONTROLLED ROADS

Two important railroads are controlled by the Chicago, Burlington & Quincy Railroad Company: the Quincy, Omaha & Kansas City Railroad Company, and the Colorado & Southern Railway Company. The former was chartered, June 1, 1897, under the laws of the State of Missouri, as the successor to the Quincy, Omaha & Kansas City Railway Company. It was reorganized in 1902 and consolidated with the Omaha, Kansas City & Eastern Railroad and the Kansas City, Peoria & Chicago Railway Company. The entire capital stock of the Quincy, Omaha & Kansas City Railroad Company is held in the treasury of the Chicago, Burlington & Quincy.

The Colorado & Southern Railway was chartered December 19, 1898, under the laws of Colorado, as the successor to the Union Pacific, Denver & Gulf Railway Company, and the Denver, Leadville & Gunnison Railway Company. The control of this railway by the Chicago, Burlington & Quincy means the control also of the so-called "Colorado & Southern Lines," comprising several separately operated railroads whose capital stock is owned wholly or in part by the Colorado & Southern Railway. On December 21, 1908, the directors of the Chicago, Burlington & Quincy Railway Company ratified the purchase of a controlling interest in the common stock of this company, and on June 30, 1912, it held in its treasury 236,675 shares of common stock, 11,300 shares of first preferred stock and 60,787 shares of second preferred stock outstanding.

PROPERTY

The Chicago, Burlington & Quincy Railroad operated a total mileage, June 30, 1912, of 9,074.10 miles, of which 8,808.31 miles were owned in fee and 265.79 miles comprised lines and parts of lines leased and operated jointly with other companies.

The system's lines traverse the great corn belt of Iowa and Nebraska, with a perfect network of roads through its especial territory, and its earnings are vitally dependent upon the prosperity of the farms. The main lines extend from Chicago westward to Denver, Colorado, and Cheyenne and Powder River, Wyoming; from Lincoln, Nebraska, northwest to Huntley, Montana, and Deadwood, South Dakota; southerly to St. Louis, Kansas City, and Metropolis City, Illinois; and northerly to St. Paul and Minneapolis. There are many important branches in Illinois, Iowa, Missouri, Kansas and Nebraska. The population of these states in 1890 was 10,903,400; in 1900, 12,698,700, and in 1910, 14,039,800.

CAPITALIZATION

The capital account of the Chicago, Burlington & Quincy Railroad stood, June 30, 1912, as follows:

Capital stock	\$110,839,100
Funded debt	209,853,000
	<hr/>
Gross capitalization	\$320,692,100
Securities owned	29,089,858
	<hr/>
Net capitalization	\$291,602,242
Net capital per mile operated	\$32,136
Average miles operated	9,074.34
Net income to net capital	9.7%
Fixed charges to net income	50.0%
Margin of safety	50.0%

With the exception of a nominal amount of road which is leased and operated jointly with other companies, the entire railroad is owned absolutely by the company. The total capital of the road proper outstanding as above was over \$320,600,000, or an average of \$36,400 per mile of road owned in fee. Compared with two other similar trunk line systems, its capital showing is very favorable. The Chicago & Northwestern's capital is \$44,585 per mile, while the Chicago, Milwaukee & St. Paul reports over \$68,960 per mile.

The net capital for the three railroads figured on average miles operated is about the same. The Chicago, Burlington & Quincy reported in 1912, as above, \$32,136, with an average, for the ten years ending 1912, of \$30,670 per mile. Here again it has a slight advantage over its two competing systems, the Chicago & Northwestern showing an average for the decade of \$33,546 and the Chicago, Milwaukee & St. Paul of \$36,450 per mile.

The three railroads in question have proved substantial revenue earners. In this respect the Chicago & Northwestern has a slight advantage, averaging for ten years a net income of 9.5% on the net capital of the road. The Burlington comes next with an average of 9.1%, while the Chicago, Milwaukee & St. Paul has an average of slightly under 9%.

Over a period of ten years, ending 1911, the margin of safety for the company's bond issues averaged 54%. During 1912 this figure was 50%. That this would have been higher with average maintenance charges is evidenced by a glance at the comparative maintenance figures of the railroad. Since 1909, an average of nearly \$28,500,000 annually was spent on this item alone, which was probably above the normal requirements. Had the usual basis of maintenance been kept, the total

net income of the road would have been greater, the proportion of fixed charges to net income less, and the margin of safety more. The actual margin of safety for the underlying securities, it would seem, is somewhat higher than the nominal 50% shown.

CHARACTER OF TRAFFIC

The company's reports are very meagre and unsatisfactory and among other things the road does not itemize the character of its traffic. It is known, however, as one of the original Granger Lines and its chief items of tonnage are agricultural products. During the ten years ending 1912 the traffic became more diversified than was formerly the case, and while the property is still primarily dependent upon grain for its tonnage, it has developed an important traffic in many other directions.

Fully two-thirds of gross earnings are represented by freight. The average ratio of freight to all traffic for the ten years ending 1912 was 68%, while the ratio of the Chicago & Northwestern was 69%, and the Chicago, Milwaukee & St. Paul 71%.

Freight revenue for the fiscal year ending 1900 was \$32,557,999. In 1912 the total freight revenue amounted to \$57,740,418. Freight density, which was 502,649 in 1900, increased to 784,409 in 1911 and 845,900 in 1912.

A decline in freight density in 1912 was characteristic of almost all the northwestern roads. The Chicago & Northwestern Railroad showed a freight density in 1911 of 703,938 and in 1912 reported but 654,871. The St. Paul's density declined from 708,671 in 1911 to 679,782 in 1912. The Burlington, however, was one of the few systems to report increases in density. Its 1911 figure of 784,409 compares with 845,900 in 1912.

A significant figure in the traffic statistics of a railroad is the train load. It is important, not only because it shows a decrease or increase of freight carried in the average train, but especially because it affords a very fair idea of the operating efficiency of the road. In 1900 the train load of the Chicago, Burlington & Quincy averaged but 197 tons; in 1912 this had increased to 438 tons, which is far ahead of the showings made by the other two railroads. The Chicago & Northwestern reported 236 tons in 1900; in 1912 the figure was 299 tons. The Chicago, Milwaukee & St. Paul showed an average train load in 1900 of 205 tons; and in 1912 of 238 tons.

Of the total traffic of the system in 1912 but 24% was represented by passenger transportation, and this was about the average for the decade. In 1900 passenger earnings amounted to but \$10,384,408; by 1912 this figure had more than doubled, being \$21,083,419. Passenger density, likewise, increased from 62,188 in 1900, to 121,314 in 1912. The average passenger density for the decade ending June 30, 1912, was 105,320, while the average for the same period on the Chicago & Northwestern System was 109,675 and on the St. Paul slightly over 80,700.

EARNINGS

The earning record of the Chicago, Burlington & Quincy is by far the most remarkable of any of the northwestern trunk systems. Below are shown the gross and net earnings, also earnings per mile for the years 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	9,122	\$82,473,251	\$9,041	\$23,568,263	\$2,584
1908	9,236	78,459,064	8,495	22,473,839	2,433
1909	9,282	79,414,357	8,556	24,066,598	2,593
1910	9,023	87,869,571*	9,738	24,858,552	2,755
1911	9,071	88,272,208*	9,730	28,730,282	3,167
1912	9,074	86,723,067*	9,557	26,076,119	2,874

* Excluding the earnings of the Colorado & Southern lines and the Quincy, Omaha & Kansas City Railroad.

The gross earnings for 1907 were higher than at any time in the previous history of the road. During 1908 and 1909, as will be seen by the above table, there was a nominal setback, from which full recovery was shown in 1910. In spite of the generally poor railroad year in 1911, earnings showed a slight increase over 1910, declining nominally in 1912 notwithstanding the gain in volume of traffic.

To realize fully the growth in earnings, it is necessary to go back to 1897. The company reported gross earnings of \$35,526,186 in that year. By 1901 these had increased to \$50,051,989. In 1901 net earnings were \$17,610,098, or \$2,271 per mile of road operated. It will be seen that since 1901 gross earnings have increased over \$36,600,000 and net earnings nearly \$8,500,000, or, roughly, over 73% and 48% respectively.

During the fiscal year of 1912 the Chicago & Northwestern reported a gross revenue of \$73,698,000 and a net revenue of \$21,000,000. The St. Paul reported gross earnings of \$63,122,000 and net earnings of \$15,380,000. The Northwestern showed gross earnings per mile of \$9,378 and net earnings per mile of \$2,672, while the St. Paul showed \$8,404 and \$2,049 respectively. These figures place the Chicago, Burlington & Quincy in an extremely favorable comparative position, its gross earnings in 1911 being \$9,557 and its net earnings \$2,874 per mile.

MAINTENANCE

The policy of spending money liberally in maintenance accounts, which has characterized the Burlington in recent years, was continued up to 1911, when there was a nominal decrease. In fact, maintenance figures, which in 1906 were considered well above the basis of normal maintenance, were far surpassed in the years 1907 to 1912 inclusive.

Year	Maintenance Way	Maintenance Equipment	Total maintenance	Maintenance per mile	Per cent of total to gross earnings
1907	\$14,445,867	\$14,725,632	\$29,171,499	\$3,198	35.4%
1908	14,603,477	12,501,461	27,104,938	2,935	34.7
1909	13,203,214	13,510,266	26,713,480	2,878	33.7
1910	15,725,461	15,057,165	30,782,626*	3,412	34.9
1911	12,406,278	14,761,138	27,167,417*	2,995	30.6
1912	13,541,030	14,294,033	27,835,063*	3,068	32.1

As will be seen by the foregoing, over \$168,000,000 was spent for upkeep during the six years, an average of over \$28,000,000 a year, and nearly \$3,100 per mile. Here again the Burlington compares favorably with the Northwestern and the St. Paul Systems, which in 1912 showed total maintenance charges per mile of \$2,410 and \$2,462 respectively, and averages for the six years somewhat under these figures.

* Excluding the maintenance charges of the Colorado & Southern and the Quincy, Omaha & Kansas City Railroad.

ADDITIONS AND BETTERMENTS

Below are tabulated the amounts spent for additions and betterments from 1907 to 1911 inclusive:

Year	Construction	General	Equipment	Total
1907	\$3,700,389		\$3,825,821	\$7,526,210
1908	3,914,732		3,999,175	7,913,909
1909	691,175		6,265	1,412,945
	715,504*			
1910	8,624,852	\$65,989	296,352	8,987,193*
1911	11,144,782	61,284	4,652,151	15,858,217*
1912	5,922,354	5,773	4,368,761	10,296,889*
Total for six years				\$51,995,363
Average per year				8,665,894

DIVIDENDS

Like the Northwestern and the St. Paul, the Burlington has been a steady dividend payer for almost its entire history. Since 1873 the smallest dividend paid in any year was 4%. The record from 1873 is as follows:

Fiscal Year	Rate	Year	Rate
1873-6	10%	1892	4¾
1877	9	1893	3¾
1878	8	1894	5
1879	10	1895	5¼
1880	9¼ (20% stock)	1896-7	4
1881-7	8	1898	4½
1888	7	1899-00	6
1889	4	1901	6½
1890	4½	1902-7†	7 (under lease)
1891	4½	1908-12	8

Since the organization of the company, 177 cash dividends have been paid, aggregating 408%, or \$219,547,105. Below are given the annual surpluses earned, over and above dividends and charges to income for additions and betterments, for the years 1907 to 1912 inclusive:

Year		Year	
1907	\$4,320,333†	1910	\$1,112,611
1908	22,366	1911	3,149,880
1909	1,202,191	1912	1,295,410

The Profit and Loss Account of the company stood on its balance sheet of June 30, 1912, at \$88,172,545, nearly 80% of its capital stock.

STATISTICS

Following are given capitalization, earnings, and traffic statistics of the Chicago, Burlington & Quincy Railroad, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive.

* Purchase of Fulton County Narrow Gauge Railway. † 6% extra dividend was paid October 1, 1907.
‡ No betterments taken out.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals at 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$13,046	\$17,781	Nominal	\$30,827	\$479	\$30,348	7,546	389
1905	12,494	19,221	"	31,715	1,089	30,626	8,871	523
1906	12,459	19,578	"	32,037	1,079	30,958	8,896	526
1907	12,151	18,493	"	30,644	1,556	29,088	9,122	592
1908	12,001	19,821	"	31,822	1,564	30,258	9,236	638
1909	11,941	21,910	"	33,851	1,193	32,658	9,282	662
1910	12,284	23,258	"	35,542	3,205	32,337	9,023	605
1911	12,219	23,129	"	35,348	3,187	32,161	9,071	684
1912	12,215	23,127	"	35,342	3,206	32,136	9,074	

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$6,300	\$1,074	\$729	\$2,149	\$2,348	\$50	\$2,398	\$1,348	\$1,050
1905	7,436	1,025	1,103	2,632	2,677	34	2,711	1,155	1,556
1906	8,335	1,272	1,533	2,980	2,550	46	2,596	1,163	1,433
1907	9,041	1,584	1,614	3,259	2,584	48	2,632	1,190	1,442
1908	8,495	1,581	1,354	3,127	2,433	25*	2,408	1,096	1,312
1909	8,556	1,422	1,456	3,085	2,593	68*	2,525	1,196	1,329
1910	9,738	1,743	1,669	3,572	2,755	279	3,034	1,559	1,475
1911	9,731	1,368	1,627	3,569	3,167	240	3,407	1,550	1,857
1912	9,557	1,492	1,576	3,615	2,874	237	3,111	1,556	1,555

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Total main- tenance to gross earnings	Conducting transpor- tation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$772	...	\$278	62.7%	28.6%	34.1%	21.4%	20.4%	7.9%	8.1%
1905	996	...	560	63.8	28.2	35.6	15.5	23.4	8.8	12.4
1906	993	...	440	69.3	33.4	35.9	14.0	26.0	8.3	11.5
1907	968	...	474	71.4	35.4	36.0	13.1	29.5	9.0	11.8
1908	960	\$349	3	71.4	34.7	36.7	12.9	26.7	7.9	10.9
1909	955	245	129	69.7	33.7	36.0	14.0	25.3	7.7	11.1
1910	983	369	123	71.7	34.9	36.8	16.1	27.4	9.4	12.0
1911	977	532	347	67.4	30.6	36.8	16.1	27.5	10.5	15.2
1912	977	435	143	69.9	32.1	37.8	16.3	27.1	9.7	12.7

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.49	\$2.54	\$1.72	\$7.69	\$3.95	\$0.0085	\$0.022	502,649	197	68%	44,375
1905	2.21	.298	.325	.784	.803	.0084	.0196	590,819	327	66	56,460
1906	2.31	.305	.329	.828	.848	.0081	.0205	713,568	365	70	58,607
1907	2.42	.353	.426	.873	.768	.0079	.0207	785,999	389	68	59,747
1908	2.36	.424	.432	.872	.632	.0080	.0185	741,438	379	69	57,621
1909	2.32	.395	.404	.858	.663	.0079	.0186	871,151	382	67	57,013
1910	2.38	.426	.408	.874	.692	.0078	.0188	824,016	381	66	56,109
1911	2.53	.356	.423	.929	.822	.0081	.0192	784,409	406	65.7	57,968
1912	2.48	.387	.401	.938	.747	.0075	.0191	845,900	438	66.6	62,860

* Deficit.

(Note: the 1910, 1911, and 1912 figures above exclude the Colorado & Southern Lines and the Quincy, Omaha & Kansas City Railroad.)

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Chicago, Burlington
& Quincy Railroad System, together with the bases upon which
they have sold during the decade ending December 31, 1912:

CHICAGO, BURLINGTON & QUINCY RAILROAD

General Mortgage Currency 4s

Dated March 2, 1908

Maturing March 1, 1958

Interest payable March 1 and September 1 at the National Bank of Commerce, New York, and Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds interchangeable.

Authorized \$300,000,000

Outstanding \$61,651,000

Per mile . . 7,260

Provisions of issue: Of the \$300,000,000 authorized, \$45,000,000 may be issued to cover expenses already made by the company, \$177,000,000 to refund prior mortgage bonds, and \$78,000,000 for construction, acquisitions and additions. There remain yet to be issued \$23,000,000 for expenditures, \$156,712,000 for refunding purposes and \$58,637,000 for construction, a total of \$238,349,000.

Security: The above bonds are secured by a direct mortgage on 8,491.31 miles of road, all the important terminals of the system, securities, realty, leases, trackage rights and other property, equipment, and future acquisitions. They are secured by a first mortgage on 3,328.15 miles of road, a second mortgage on 5,163.16 miles, and a first collateral lien on the controlling interest in the common stock of the Colorado & Southern Railway Company, which was purchased with the proceeds of \$19,363,000 of this issue.

Trustees: The Central Trust Company, New York, and Oliver M. Spencer, Esq.

These bonds sold in 1908 on a 3.85 to 4.15 basis

1909	3.95	4.05
1910	4.00	4.15
1911	4.10	4.20
1912	4.15	4.30

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Illinois Division Currency 3½s and 4s

Dated July 1, 1899

Maturing July 1, 1949

Interest payable January 1 and July 1 at the National Bank of Commerce, New York,
and Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable,
in lots of \$5,000 and multiples.

Registered bonds of \$5,000 and multiples thereof.

Authorized \$85,000,000

Outstanding (3½s) \$50,835,000

(4½s) 34,165,000

Per mile 51,610

Security: The above bonds are secured by a first mortgage on 1,647.03 miles of road, certain terminal properties in Chicago, St. Paul, Minneapolis, Quincy, East St. Louis, Burlington, Clinton, Dubuque and Winona, equipment and future acquisitions.

Equity: The above bonds are prior in lien to the Chicago, Burlington & Quincy General 4s of 1958, part of which are reserved to refund or retire this issue.

Redemption: These bonds are redeemable at 105 and interest on any interest date, after July 1, 1929, upon six months' notice.

Trustee: New England Trust Company, Boston.

The 3½s of 1949 sold in 1900 on a 3.27 to 3.45 basis

1901	3.32	3.42
1902	3.30	3.60
1903	3.62	4.00
1904	3.62	3.95
1905	3.60	3.72
1906	3.70	3.90
1907	3.87	4.40
1908	3.80	4.20
1909	3.85	4.05
1910	4.05	4.20
1911	4.10	4.15
1912	4.15	4.40

The 4s of 1949 sold in 1904 on a 3.72 to 3.77 basis

1906	3.70	3.95
1907	3.85	4.25
1908	3.75	4.15
1909	3.85	4.00
1910	3.95	4.07
1911	3.98	4.07
1912	4.00	4.12

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Nebraska Extension Sinking Fund Currency 4s

Dated May 2, 1887

Maturing May 1, 1927

Interest payable May 1 and November 1 at the National Bank of Commerce, New York, and Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable in lots of \$5,000.

Registered bonds of \$5,000.

Authorized \$29,441,000

Outstanding \$22,543,000
Per mile . . . 15,330

Security: The above bonds are secured by a direct first mortgage or a first collateral trust on 1,471.41 miles of road, equipment and future acquisitions. They are secured by a direct first mortgage on 296.91 miles of road and in effect a first mortgage on 1,174.50 miles, being a first collateral lien secured by a deposit of entire issues of first mortgage bonds aggregating \$23,494,200, covering the above mileage.

Equity: The above bonds are prior in lien to the Chicago, Burlington & Quincy General 4s of 1958, a part of which are reserved to refund or retire this issue. Since April 20, 1909, the company has offered, subject to change without notice, to convert this issue at par into General Mortgage 4s of 1958.

Sinking fund: An annual amount equal to 1% of the par value of bonds issued is payable annually on May 1 to be applied to the purchase of these bonds at not exceeding 110 and interest, the bonds so purchased to be cancelled. Already \$6,898,000 have thus been cancelled.

Trustee: New England Trust Company, Boston.

These bonds sold in 1900 on a 3.25 to 3.50 basis

1901	3.25	3.40
1902	3.30	3.57
1903	3.50	3.87
1904	3.55	3.75
1905	3.45	3.65
1906	3.50	3.85
1907	3.85	4.45
1908	3.80	4.15
1909	3.82	4.05
1910	3.90	4.15
1911	4.00	4.30
1912	4.05	4.30

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Debenture Currency 5s

Dated May 1, 1883

Maturing May 1, 1913

Interest payable May 1 and November 1 at the Bank of Commerce, New York,
and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$9,000,000

Outstanding \$7,162,000

Security: The above bonds are not secured by a mortgage, but are a direct obligation of the company. They are prior in lien to the General 4s of 1958, a sufficient number of which are reserved to retire this issue at maturity. Since April 20, 1909, the company has offered, subject to change without notice, to convert this issue into General 4s of 1958.

These bonds sold in 1900 on a 3.80 to 4.15 basis

1901	3.70	4.15
1902	3.87	4.25
1903	4.00	4.45
1904	3.90	4.30
1905	3.75	4.10
1906	3.82	4.55
1907	4.25	over 6.00
1908	4.20	5.60
1909	4.10	5.10
1910	4.25	4.80
1911	4.20	4.60

These bonds are considered a legal investment for New Hampshire and Rhode Island savings banks.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Iowa Division First Mortgage Sinking Fund Currency 4s and 5s

Dated October 1, 1879

Maturing October 1, 1919

Interest payable April 1 and October 1 at the National Bank of Commerce, New York,
and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (5s) \$3,000,000
(4s) 12,502,000

Outstanding (5s) \$2,274,000
(4s) 5,639,000
Per mile . . . 8,880

Security: The above bonds are secured by a first mortgage on 891.02 miles of road, equipment and future acquisitions; including the line from Burlington to Pacific Junction, Ia., 270.4 miles, and branches, also a first mortgage on 85.69 miles of second track in Iowa.

Equity: They are prior in lien to the Chicago, Burlington & Quincy General 4s of 1958, a sufficient number of which are reserved to retire this issue at maturity.

Redemption: The 4s of 1919 are redeemable for the sinking fund at par and interest. The 5s of 1919 are redeemable for the sinking fund at 105 and interest. If not purchasable for less, they shall be drawn by lot.

Sinking fund: An amount equal to $1\frac{1}{2}\%$ of the par value of the bonds issued is payable October 1 of each year to be applied to the purchase of the bonds as above. Bonds so purchased are to be cancelled. At present \$6,863,000 of the 4s of 1919 have been cancelled and \$725,000 of the 5s of 1919.

The 4s of 1919 sold in 1900 on a 3.47 to 3.77 basis

1901	3.47	3.72
1902	3.52	3.75
1903	3.65	3.95
1904	3.80	3.95
1905	3.67	3.87
1906	3.72	4.02
1907	3.80	4.45
1908	3.87	4.45
1909	3.80	4.10
1910	4.00	4.20
1911	4.02	4.15
1912	4.10	4.30

The 5s of 1919 sold in 1900 on a 3.72 to 3.95 basis

1901	3.80	3.90
1902	3.70	3.85
1903	4.20	
1904	4.125	
1905	4.02	
1907	4.35	4.55
1908	4.30	4.45
1909	3.95	4.30
1910	4.375	
1911	4.22	4.30
1912	4.15	4.30

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Denver Extension Collateral Trust Sinking Fund Currency 4s

Dated December 1, 1881

Maturing February 1, 1922

Interest payable February 1 and August 1 at the National Bank of Commerce, New York,
and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$7,968,000

Outstanding \$7,310,200
Per mile . . . 19,785

Provisions of issue: Of the amount authorized, \$4,876,100 are held in the sinking fund, \$657,800 have been exchanged for General 4s of 1958 and cancelled, \$351,000 are in the treasury of the company, and the balance, \$2,083,100, is outstanding in the hands of the public.

- Security:** The above bonds are secured, in effect, by a first mortgage on 369.48 miles of road through collateral as follows: \$3,942,000 (entire issue) Republican Valley Railroad First Mortgage 5s of 1922 covering 194.61 miles and \$4,026,000 (entire issue) Burlington & Colorado Railroad First Mortgage 5s of 1922 covering 174.87 miles of road. They are additionally secured by a deposit of \$540,000 out of a total of \$2,105,000 Republican Valley Railroad First Mortgage 6s of 1918, covering 180.39 miles of road. The above bonds deposited hereunder are prior in lien to the Chicago, Burlington & Quincy General 4s of 1958, which provide for the retirement of this issue.
- Redemption:** The above bonds are redeemable for the sinking fund, at not exceeding par and interest, on any January 20 and July 20 upon due notice. If not purchasable for less, they shall be drawn by lot.
- Sinking fund:** Payable January 1 and July 1 in each year, \$79,680 per annum is to be applied to the purchase or redemption of these bonds as above, the bonds so acquired to be kept alive in the sinking fund, and interest thereon added to the semi-annual payments.
- Trustee:** New England Trust Company, Boston.

These bonds sold in 1900 on a 3.80 to 3.98 basis

1901	3.82	3.95
1902	3.75	3.98
1903	3.90	4.95
1904	3.85	4.10
1905	3.75	3.92
1906	3.77	4.00
1907	3.95	4.30
1908	3.90	4.30
1909	3.95	4.125
1910	4.00	4.125
1911	4.02	4.10
1912	4.00	4.05

These bonds are considered a legal investment for savings banks in New England except Maine.

CHICAGO, BURLINGTON & QUINCY RAILROAD

Sinking Fund Currency Plain 4s

Dated September 1, 1881

Maturing September 1, 1921

Interest payable March 1 and September 1 at the National Bank of Commerce, New York, and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,300,000

Outstanding \$3,667,000

- Provisions of issue:** Of the amount authorized, \$2,719,000 bonds are held in the sinking fund, \$633,000 have been exchanged for General 4s of 1958 and cancelled, \$237,000 are in the treasury of the company, and the balance, \$711,000, is in the hands of the public.
- Security:** The above bonds are not secured by mortgage, but are an obligation of the Chicago, Burlington & Quincy Railroad. They are prior in lien to the General 4s of 1958, a sufficient number of which are reserved to retire this issue at maturity.

- Redemption: The above bonds are redeemable for the sinking fund, at not exceeding par and interest. If not purchasable for less, they shall be drawn by lot.
- Sinking fund: \$43,000 is payable annually, on August 1, to be applied to the purchase or redemption of these bonds for the sinking fund at not exceeding par and interest. The bonds so acquired are held uncanceled and the interest thereon is added to the annual payments.
- Trustee: New England Trust Company, Boston.

These bonds sold in 1901 on a 4.00 basis		
1902	4.00	
1903	3.67	to 3.95 basis
1904	3.80	3.95
1905	3.70	3.87
1906	4.10	4.20
1907	5.00	
1909	3.95	4.10
1910	4.10	4.30
1911	4.10	4.125
1912	4.10	4.20

These bonds are considered a legal investment for New Hampshire and Rhode Island savings banks.

BURLINGTON & MISSOURI RIVER RAILROAD

Consolidated Sinking Fund Currency 6s

Dated July 1, 1878

Maturing July 1, 1918

Interest payable January 1 and July 1 at the National Bank of Commerce, New York,
and Boston.

Coupon bonds of \$600 and \$1,000.

Authorized \$14,000,000

Outstanding \$13,613,900
Per mile . . . 29,920

- Provisions of issue: Although the total amount authorized is \$14,000,000, that amount is limited by the terms of the General Mortgage 4s of 1958 to \$13,751,000. Of this amount \$10,103,800 are held in the sinking fund, \$138,000 have been exchanged for General 4s of 1958 and cancelled, \$109,600 of the bonds outstanding are in the treasury of the company, and the balance, \$3,399,600, is in the hands of the public.
- Security: The above bonds are secured by a first mortgage on 454.65 miles of road, land grants, equipment, and future acquisitions of those miles. They are additionally secured by a deposit with the trustee of \$1,565,000 out of a total of \$2,105,000 Republican Valley Railroad First Mortgage 6s of 1919, covering 180.39 miles. These bonds are prior in lien to the General 4s of 1958, an equal amount of which have been reserved to retire this issue.
- Redemption: These bonds are redeemable for the sinking fund at par and interest on December 1 and June 1 of each year. If not purchasable for less, they shall be drawn by lot.
- Sinking fund: The interest on these bonds held in the sinking fund (amounting on June 30, 1912, to \$10,103,800) is to be applied semi-annually to the purchase or redemption of this issue at not exceeding par

and interest. The bonds so acquired are to be held alive in the sinking fund and interest thereon added, thus retiring this issue at maturity.

Trustee: New England Trust Company, Boston.

The Burlington & Missouri River Railroad was chartered May 12, 1869, and opened for traffic in September, 1872. In 1873 the Omaha & South Western Railroad was leased, the Nebraska in 1877, and the Republican Valley in 1878. The Burlington & Missouri River Railroad was consolidated with the Chicago, Burlington & Quincy Railroad in 1880, the bonds of all the above-mentioned companies being assumed by the latter at that time.

These bonds sold in 1900 on a 4.125 to 4.65 basis

1901	4.125	4.375
1902	4.125	4.50
1903	4.45	4.80
1904	4.65	4.80
1905	4.70	
1908	5.30	
1909	5.70	
1910	5.50	5.60
1911	5.40	5.50
December, 1912	5.60	(bid)

These bonds are considered a legal investment for savings banks in New England.

REPUBLICAN VALLEY RAILROAD

First Mortgage Sinking Fund Currency 6s

Dated July 1, 1879

Maturing July 1, 1919

Interest payable January 1 and July 1 at the National Bank of Commerce, Boston.

Coupon bonds of \$600 and \$1,000.

Authorized \$2,643,000

Outstanding \$932,800
Per mile . . . 10,364

Provisions of issue: Although the total amount authorized is \$2,643,000, that amount is limited by the terms of the General Mortgage 4s of 1958 to \$1,078,000. Of this amount, \$727,800 are in the sinking fund, \$145,200 have been exchanged for General 4s of 1958 and cancelled, \$6,200 are in the treasury of the company, and the balance, \$932,000, is in the hands of the public.

Security: The above bonds are secured by a first mortgage on the road from the west line of Red Willow County to the west line of Franklin County, Neb., 90.47 miles. They are prior in lien to the General Mortgage 4s of 1958, a sufficient number of which have been reserved to retire this issue.

These bonds have been ASSUMED by the Chicago, Burlington & Quincy Railroad Company.

Redemption: These bonds are redeemable for the sinking fund at not exceeding par and interest. If not purchasable for less, they shall be drawn by lot.

Sinking fund: The interest on these bonds held in the sinking fund (amounting on June 30, 1912, to \$727,800) is to be applied annually to the purchase or redemption of this issue at not exceeding par and interest. The bonds so acquired are to be held alive in the sinking fund and interest thereon added, thus retiring this issue at maturity.

Trustee: New England Trust Company, Boston.

The Republican Valley Railroad was built in 1877-78, extending from Red Cloud to Bloomington. The Burlington & Missouri River Railroad acquired control and its accounts were consolidated with the accounts of that company. In 1882 the property of the Republican Valley Railroad was conveyed to the Chicago, Burlington & Quincy Railroad Company.

These bonds sold in 1900 on a 5.45 basis		
1901	5.05	to 5.40 basis
1902	5.30	5.55
1903	5.55	
1904	5.55	5.70
1905	5.55	5.70
1906	5.65	
1907	5.65	5.75
1908	5.40	5.80
1909	5.75	(bid)
1910	5.55	
1911	5.50	
December, 1912	5.60	(bid)

These bonds are considered a legal investment for savings banks in New England.

TARKIO VALLEY RAILROAD

First Mortgage Sinking Fund Currency 7s

Dated June 1, 1880

Maturing January 1, 1920

Interest payable June 1 and December 1 at the Second National Bank. Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$430,000

Outstanding \$30,000

Per mile . . . 1,070

Provisions of issue: Although the total amount authorized is \$430,000, that amount is limited by the terms of the General Mortgage 4s of 1958 to \$133,000. Of those not in the hands of the public, \$41,000 have been retired by the sinking fund and cancelled, and \$62,000 have been exchanged for General Mortgage 4s of 1958 and cancelled.

Security: The above bonds are secured by a first mortgage on the Branch from Corning, Mo., to the connection with the Chicago, Burlington & Quincy Railroad in Page County, Ia., 27.61 miles. They are further secured by a first mortgage on all the equipment and future acquisitions of the line. They are prior in lien to the General Mortgage 4s of 1958, which provide for the retirement of this issue.

These bonds are GUARANTEED as to PRINCIPAL, INTEREST, and SINKING FUND by the Kansas City, St. Joseph & Council Bluffs Railroad Company, and were ASSUMED by the Chicago, Burlington & Quincy Railroad Company.

Redemption: These bonds are redeemable for the sinking fund at not exceeding par and interest. If not purchasable for less, they shall be drawn by lot.

Sinking fund: \$11,000 annually is to be applied to the purchase or redemption of these bonds at not exceeding par and interest, bonds so acquired to be cancelled.

The Tarkio Valley Railroad was completed in July, 1880, as a branch of the Kansas City, St. Joseph & Council Bluffs Railroad, whose property was acquired by the Chicago, Burlington & Quincy Railroad Company in 1901.

These bonds were bid in 1909 at 104, and in July, 1912, at 103½. No sales are recorded during the decade.

These bonds are considered a legal investment for savings banks in New England.

NODAWAY VALLEY RAILWAY

First Mortgage Sinking Fund Currency 7s

Dated June 1, 1880

Maturing June 1, 1920

Interest payable June 1 and December 1 at the Second National Bank, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$388,000

Outstanding \$31,000

Per mile . . . 970

Provisions of issue: Although the total amount authorized is \$388,000, that amount is limited by the terms of the General Mortgage 4s of 1958 to \$118,000. Of those not in the hands of the public, \$44,000 have been retired by the sinking fund and cancelled, and \$43,000 have been exchanged for General Mortgage 4s of 1958 and cancelled.

Security: The above bonds are secured by a first mortgage on the equipment, future acquisitions, and railroad from Bigelow to Burlington Junction, Mo., 31.54 miles. They are prior in lien to the General Mortgage 4s of 1958, which provide for the retirement of this issue.

These bonds are GUARANTEED as to PRINCIPAL, INTEREST, and SINKING FUND by the Kansas City, St. Joseph & Council Bluffs Railroad Company, and were ASSUMED by the Chicago, Burlington & Quincy Railroad Company.

Redemption: These bonds are redeemable for the sinking fund at not exceeding par and interest. If not purchasable for less, they shall be drawn by lot.

Sinking fund: \$10,000 annually is to be applied to the purchase or redemption of these bonds at not exceeding par and interest, bonds so acquired to be cancelled.

The Nodaway Valley Railroad was completed in May, 1880, as a branch of the Kansas City, St. Joseph & Council Bluffs Railroad, whose property was acquired by the Chicago, Burlington & Quincy Railroad in 1901.

These bonds sold in 1903 at 108 to 104

1904	106 $\frac{1}{8}$
1906	105
1909	104 (bid)
1910	103 (bid)
1911	102 (bid)
December, 1912	103 $\frac{1}{8}$ (bid)

These bonds are considered a legal investment for savings banks in New England.

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CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY COMPANY

HISTORY

The Chicago, Milwaukee & St. Paul Railway Company was chartered May 5, 1863, under the laws of Wisconsin, as the Milwaukee & St. Paul Railway Company. It was organized at a time when there was an open question as to whether Chicago or Milwaukee would be the chief port of Lake Michigan. The aim of the company was to extend the road into the vast wildernesses of Minnesota and the Dakotas, St. Paul at that time being an obscure village and Minneapolis unknown. The purchase of the St. Paul & Chicago Railroad, effected after the organization, gave the road a through line from Milwaukee to St. Paul, and in 1874 the extension from Milwaukee to Chicago completed a continuous road between the latter city and the Minnesota capital.

It was on February 14, 1874, that the name of the company was changed to its present title. Since then the road has been steadily extended through Iowa and Minnesota, and into the Dakotas, according to the original intention. The absorption of the Milwaukee & Northern Railroad carried the system into the iron districts of the Michigan Peninsula; other extensions were made into Omaha and Kansas City on the south, Fargo and other points in North Dakota on the north.

In 1903 the Chicago, Milwaukee & St. Paul Railway acquired the entire capital stock of the Wisconsin Western Railroad Company, whose line extended from Wauzeka to La Farge, Wisconsin. In April, 1906, the company purchased the property, rights and franchises of the Duluth, St. Cloud, Glencoe, & Mankato Railroad Companies which had a line projected from Albert Lea to Duluth, Minnesota.

The complete line from Madison to Sioux Falls, South Dakota, was opened for traffic November 5, 1906, and the line from Chamberlin to Rapid City, South Dakota, July 29, 1907.

PUGET SOUND EXTENSION

Undoubtedly the most important event in the recent history of the Chicago, Milwaukee & St. Paul Railway was the building of the Chicago, Milwaukee & Puget Sound Railway, its Extension to the Pacific Coast. It had long been apparent that such an outlet would prove of great benefit to the Chicago, Milwaukee & St. Paul, especially through the interchange of constantly increasing traffic between the Great Lakes and Puget Sound.

On October 9, 1905, under the laws of Washington, a company known as the Pacific Railway Company was chartered. In the following January the articles of incorporation were amended and the name of the company was changed to the Chicago, Milwaukee & St. Paul Railway Company of Washington. December 31, 1908, the name was again changed to the Chicago, Milwaukee & Puget Sound Railway.

The entire capital stock of the latter company (\$100,000,000) is owned by the St. Paul. "The Puget Sound Company," as it soon became known, in turn owns all the preferred stock (\$750,000 par value) and \$748,900 of the \$750,000 common stock of the Tacoma Eastern Railroad. The latter was chartered July 14, 1890, under the laws of Washington, and after a reorganization in 1903, its road was opened from Tacoma to Eatonville on June 1 of that year. Since that time several branches

and extensions have been added, so that in 1912 the Tacoma & Eastern was operating nearly 90 miles of road, all situated in the State of Washington.

From its inception, the Puget Sound was engaged in the construction of a line of railway from the St. Paul Termini on the Missouri River, to Seattle, Tacoma, and other important Puget Sound Points. The route chosen at that time was, and is, quite inexplicable. Between the Union Pacific and the Northern Pacific Lines, there is a wide belt of territory from two to three hundred miles broad which is crossed by no east or west road except the diagonal path of the Oregon Short Line. A road going through this territory would tap a country rich in coal, oil and mineral deposits, and have a wide field to itself.

The Puget Sound chose a route almost paralleling that of the Northern Pacific; in fact, the two lines cross and recross at many points, and for long stretches run side by side. But it has amply justified itself as a business proposition. Completed May 14, 1909, the line was opened for traffic on August 1st of that year, and on May 28, 1911, through passenger service between Chicago, Seattle and Tacoma was instituted. Within two years after it was opened for operation, the Puget Sound earned over \$2,700,000 in excess of its full fixed charges. During the fiscal year, 1912, with gross earnings \$1,600,000 greater than in 1911, the road showed a small deficit after charges, which were far heavier than in 1911. Taxes alone increased \$525,000, and the company's maintenance charges were larger during 1912—probably more than sufficient to care for the requirements of the road, which is practically new.

Beginning January 1, 1913, the Puget Sound was operated directly as a part of the St. Paul System. The St. Paul acquired a deed to the physical property of the Puget Sound, and took over all its assets and obligations, assuming the latter as its own. It is believed that the financial status of the St. Paul will be materially strengthened as a result of this merger, also that the two properties operated as one will show increased operating efficiency.

PROPERTY

At the close of the fiscal year ending June 30., 1912, the St. Paul operated an average of 7,511.41 miles of main line. Of this amount, 7,265.90 miles were owned absolutely by the company, 30.50 miles were owned jointly with other companies, and 215.01 miles were being operated under special contract. The location of the road is as follows:

In Wisconsin	1,783.05 miles
Illinois	415.03
Iowa	1,871.13
Minnesota	1,244.90
North Dakota	153.31
South Dakota	1,529.66
Missouri	140.27
Michigan	159.05
Total length of main track	7,296.40

The Chicago, Milwaukee & Puget Sound Railway, with an average mileage in 1912 of 2,059.74 miles, is operated as a separate system, although in harmony with the St. Paul.

Included in the property of the Chicago, Milwaukee & St. Paul Railway Company are 1,180.5 acres of coal lands, and the mining rights for 1,256.61 acres, in Monroe and Marion Counties, Iowa. These lands are reached by the existing lines of the company. It has also acquired 347.13 acres of coal land, and the mining rights for 27,326.62 acres, in Bureau, Putnam, and La Salle Counties, Illinois. The title to these lands was acquired by the Excelsior Coal Company and the St. Paul Coal Company, which are controlled by the Chicago, Milwaukee & St. Paul Railway Company.

CAPITALIZATION

From the St. Paul's balance sheet of June 30, 1912, the following capitalization figures are compiled:

Capital:	
Common	\$116,348,200
Preferred	116,274,900
Total capital stock	\$232,623,100
Funded debt	268,367,155
Gross capitalization	\$500,990,255
Securities owned	131,583,158
Net capitalization	\$369,407,096
Net capital per mile operated	\$49,181
Average miles operated	7,511.41
Net income to net capital	6.2%
Fixed charges to net income	56.8%
Margin of safety	43.2%

With the exception of 245 miles, which are operated jointly or under special contract, the entire road is owned in fee. The gross capitalization, as above, was over \$500,000,000, or an average of \$66,699 per mile of road operated. The relative figure for the Chicago & Northwestern Railway is \$44,266, while that of the Burlington is \$35,342. It would appear from this that the capitalization per mile was excessive as compared with other roads of its class, and to let these figures stand without explanation would be extremely unfair, since the enormous burden of financing the Puget Sound Extension was primarily borne by the St. Paul.

In fact, the fairer way would be to compare the capital of the St. Paul and the Puget Sound together, with those of similar trunk lines, such as the Great Northern and the Northern Pacific. Pro rating the heavy cost of its Puget Sound Extension over the total mileage of the St. Paul, and using as a basis 9,570 miles, the amount operated by both, we find the net capital to be \$57,060 (excluding the Puget Sound's \$100,000,000 stock, all owned by the St. Paul), as compared with the net capital per mile of the Northern Pacific, which is \$61,933, and the Great Northern, which is \$41,874.

The St. Paul System as a whole, including the Puget Sound, does not carry an unfavorably high capitalization per mile, nor does the cost of construction and equipment appear excessive. We find the total cost of road per mile of the St. Paul & Puget Sound to be \$61,250, the Great Northern \$51,900, and the Northern Pacific slightly over \$64,600.

On the basis of earnings, also, the Chicago, Milwaukee & St. Paul Railway does not appear to be over-capitalized. During the fiscal year ending June 30, 1912, the St. Paul itself reported a total net income equivalent to 6.2% of its net capital of \$49,181 per mile. The Chicago & Northwestern Railway showed for the same period a total net income equivalent to 7.6% on its net capital per mile, a figure slightly over \$40,600, while the Chicago, Burlington & Quincy Railroad's net income to net capital was but 9.7% on \$32,136 per mile. Had the latter's net capital been as high as that of the St. Paul, its ratio of net income to net capital would have been but 6.2%.

During the fiscal year of 1912 there were no increases in either class of capital stock. The company's funded debt, however, received two additions, totalling \$35,794,500; one by the issue of \$1,056,000 of General Mortgage Bonds of 1989, and the other by the issue of \$34,893,500 of Convertible 4½s of 1932, for the purchase and construction of additional lines of railway, for improvements and betterments and for the purchase of new equipment. The total funded debt, June 30,

1912, was \$268,367,154, or \$35,729 per mile, of which \$40,768,000 were in the treasury of the company and \$227,599,154 were outstanding in the hands of the public.

The company's net capital per mile, June 30, 1912, was \$49,181, as compared with \$44,240 in 1911. In 1912 a net income of 6.2% upon this capitalization was shown, as compared with 9.0% in 1911. This decline of 2.8% was due in a large degree to the loss in Other Income, due to the failure of the Puget Sound to pay dividends on its \$100,000,000 capital stock, all of which is owned by the St. Paul. The company's net income applicable to fixed charges was \$3,062 per mile, being \$930 less in 1912 than in 1911. Fixed charges consumed 56.8% of the net income, leaving a margin of safety for fixed charges, which include taxes, rentals and interest, of 43.2%. This compares with 54.6% in 1911.

CHARACTER OF TRAFFIC

The St. Paul is one of the great "Granger" roads of the West, and farm products make up the chief item of its tonnage. In 1911 nearly 68% of the total traffic of the St. Paul was represented by its freight business, while the average proportion of freight to all traffic for the decade ending 1912 was 72%. Below are enumerated the salient freight statistics of the road for the years 1907 to 1912 inclusive:

Year	Freight revenue	Average rate	Freight density	Tons carried
1907	\$44,115,059	\$.0086	731,299	28,596,041
1908	40,426,880	.0081	664,153	26,189,853
1909	42,341,651	.0084	672,460	27,499,704
1910	44,909,137	.00843	709,119	30,698,915
1911	44,776,454	.00841	708,671	26,793,647
1912	42,815,573	.00838	679,782	26,575,784

We append a comparative statement, based on the reports of the company, showing the commodities transported during the years above mentioned:

Products of	1907	1908	1909	1910	1911	1912
Agriculture . . .	6,470,914	5,640,370	5,868,017	5,754,165	5,739,385	5,179,062
Animals	1,776,251	1,805,431	1,763,683	1,646,341	1,727,269	1,775,860
Mines	8,512,230	7,468,900	7,948,184	9,782,608	7,187,511	7,531,702
Forests	3,794,148	3,390,160	3,711,243	3,851,660	3,622,107	3,566,264
Manufactures . .	4,776,377	4,522,248	4,898,948	6,056,060	4,969,968	5,067,960
Not specified . .	3,266,120	3,362,744	3,309,629	3,608,081	3,547,407	3,454,936

Total tons carried	28,596,041	26,189,853	27,499,704	30,698,915	26,793,647	26,575,784
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Passenger earnings in 1912 represented 22% of the gross earnings of the company. Below are tabulated the more important passenger statistics of the road for the years 1907 to 1912 inclusive:

Year	Passenger revenue	Average rate	Passenger density	Passengers carried
1907	\$12,102,196	\$.022	77,957	12,346,478
1908	11,883,395	.0192	82,607	14,234,127
1909	12,774,852	.0189	89,733	15,261,551
1910	14,786,744	.0188	104,758	17,613,549
1911	14,077,737	.0186	100,917	16,795,212
1912	13,936,963	.0203	91,055	14,177,026

EARNINGS

Below are given the gross and net earnings for the years 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	7,050	\$60,548,555	\$8,589	\$21,148,144	\$2,998
1908	7,499	56,932,620	7,592	19,769,252	2,636
1909	7,512	59,897,464	7,974	21,166,225	2,818
1910	7,512	64,846,894	8,632	20,055,897	2,670
1911	7,512	64,975,995	8,650	17,922,276	2,386
1912	7,511	63,122,743	8,404	15,379,587	2,049

Gross earnings recovered to the level of before-the-panic days, and except for a nominal decline in 1912, were of satisfactory volume. The net earnings per mile, however, reflect a discomfoting tendency. These figures have declined over 20% since 1907; in fact they are back to the level of 1902 and 1903.

This decline in net earnings may be accounted for in two ways. It may be due to high maintenance charges or to an increase in transportation costs. In the following table the total maintenance per mile of the St. Paul is compared with that of two similarly situated roads, for the years 1907 to 1912 inclusive:

Year	St. Paul	Chicago & Northwestern	Burlington
1907	\$2,045	\$2,334	\$3,198
1908	1,825	1,942	2,935
1909	1,938	2,131	2,878
1910	2,156	2,611	3,412
1911	2,224	2,501	2,995
1912	2,462	2,410	3,068

A glance at these comparative statistics will show that the St. Paul has spent less for maintenance each year than either of the others. Even the 1912 figure, which is the largest expenditure for maintenance in the history of the road, is not any too favorable. It may be said, therefore, that the decrease in net earning power has not been due, to any large extent, to expenditures on property and equipment.

The item of transportation costs is the only remaining source of this decline. Below are given the ratios of transportation costs to gross earnings, and the operating ratios (expenses to earnings) of the St. Paul for the years 1907 to 1912 inclusive:

Year	Transportation ratio	Operating ratio
1907	41.3%	65.09%
1908	41.2	65.27
1909	40.3	64.66
1910	44.1	69.05
1911	46.7	72.40
1912	46.3	75.64

The above table shows that in 1912 the St. Paul spent \$46.30 for cost of transportation, general and traffic expense out of every hundred dollars' worth of business handled. It is interesting to compare this figure with that of the Burlington, which spent about \$37.80, and the Northwestern, which spent \$45.80. It would seem, therefore, that the decline in net earnings during the last six years could be explained by the increase in the transportation ratio from 41.3% to 46.3%.

MAINTENANCE

Although facing declining earnings during the poor year ending 1912, and with no probable betterment in business conditions for the present, the St. Paul management has not cut the amount spent for maintenance of roadway and rolling stock, even though the current dividend rate has been reduced. Below is a comparative statement of the amounts which the St. Paul has spent for maintenance in the years 1907 to 1912 inclusive:

Year	Way	Maintenance Equipment	Total maintenance	Per mile
1907	\$5,830,968	\$8,589,757	\$14,420,725	\$2,045
1908	6,642,820	7,039,270	13,682,090	1,825
1909	7,288,603	7,270,774	14,559,377	1,938
1910	8,472,825	7,724,569	16,197,394	2,156
1911	7,865,401	8,839,384	16,704,785	2,224
1912	8,812,314	9,681,271	18,493,585	2,462

To show the maintenance charges per mile of other roads similarly situated, and also the per cent of maintenance charges to gross earnings, the following comparative table is appended for the years 1907 to 1912 inclusive:

Year	Total maintenance per mile		Total maintenance to gross earnings		
	Burlington	Chicago & Northwestern	Burlington	Chicago & Northwestern	St. Paul
1907	\$3,198	\$2,334	35.4%	25.6%	23.8%
1908	2,935	1,942	34.7	23.4	24.1
1909	2,878	2,131	33.7	24.6	24.3
1910	3,412	2,611	34.9	27.0	24.9
1911	2,995	2,501	30.6	25.7	25.7
1912	3,068	2,410	32.1	25.7	29.3

As will be seen by the foregoing, the expenditures of the St. Paul for maintenance were not as large as those of the Burlington and the Chicago & Northwestern, but it is significant that the proportion of maintenance charges to gross earnings increased steadily during the six years in question, while the Burlington showed a considerable proportional decrease and the Chicago & Northwestern remained practically stationary.

The St. Paul's maintenance is now the highest in its history, in spite of the fact that in 1907, when the company was putting itself in shape to meet increased business on account of the opening of the Puget Sound Extension, upkeep of property and equipment was above normal.

ADDITIONS AND BETTERMENTS

Below is a comparative statement of the sums spent for additions and betterments by the Chicago, Milwaukee & St. Paul Railway for the years 1907 to 1912 inclusive:

Year	Equipment	Construction	Other betterments	Total
1907	\$8,381,142	\$3,817,213	\$11,654,652	\$23,853,007
1908	2,737,751	1,714,581	13,882,610	18,334,932
1909	215,719	832,579	13,869,311	14,917,609
1910	1,128,401	1,679,048	11,536,109	14,343,558
1911	3,084,781	1,824,994	7,461,282	12,371,057
1912	4,319,490	1,605,236	3,456,437	9,381,163
	\$19,867,284	\$11,473,651	\$61,860,391	\$93,201,326

Below are tabulated the various accounts against which these betterments were charged during the years in question:

Year	Equipment fund	Renewal fund	Capital	Total
1907	\$5,273,227	\$10,145,790	\$8,433,991	\$23,853,007
1908	767,219	10,990,707	6,577,006	18,334,932
1909	121,490*	6,721,025	8,075,094	14,917,609
1910		7,983,543†	6,360,015	14,343,558
1911			12,371,057	12,371,057
1912			9,381,163	
	<hr/> \$6,161,936	<hr/> \$35,841,065	<hr/> \$51,198,326	<hr/> \$93,201,326
Equipment fund			\$6,161,936	
Renewal fund			35,841,065	
Capital			51,198,326	
Total for six years			\$93,201,326	
Average per year			15,533,550	

DIVIDENDS

As a dividend payer, the St. Paul has had a record up to the present time that is surpassed by no other Western railway. With the single exception of the year 1875, dividends have been paid continuously for over forty years upon the preferred stock of the company. A complete record of dividends paid from 1892 to 1912 is as follows:

Year	Preferred	Rate Common
1892	7%	2%
1893-4	7	4
1895	7	2
1896	7	4
1897-1900	7	5
1901	7	6
1902-11	7	7
1912	7	6

Compiled from the reports of the company for the years 1907 to 1911, the following surpluses have been shown over and above all fixed charges and dividends:

Year	Amount
1907	\$5,571,295
1908	3,269,242
1909	3,796,586
1910	2,450,331
1911	126,861

* The equipment fund was discontinued in 1910, and amounts previously charged to it were charged to capital.

† The renewal fund was closed in 1911.

During 1912 both common and preferred dividends were declared from Profit and Loss. The Profit and Loss Account of the company stood on its balance sheet, June 30, 1912, at \$42,931,525, equivalent to 18.5% of its total outstanding capital stock.

STATISTICS

Following are given capitalization, earnings, and traffic statistics of the Chicago, Milwaukee & St. Paul Railway, based on the average miles operated, for the year 1900 and the years 1905 to 1912 inclusive:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Fiscal year	Preferred stock	Common stock	Funded debt	Gross capital	Owned by company	Net capital	Average miles	Extra main track
1900	\$6,410	\$7,428	\$20,662	\$34,500	\$37	\$34,413	6,347	293
1905	7,141	8,422	17,686	33,249	793	32,456	6,908	455
1906	7,133	8,358	17,505	32,997	668	32,329	6,961	458
1907	7,065	11,799	17,846	36,710	654	36,056	7,050	503
1908	6,664	11,118	16,759	34,541	2,669	31,872	7,499	528
1909	15,478	15,488	19,115	50,081	14,040	36,041	7,512	547
1910	15,478	15,488	25,584	56,550	19,562	36,988	7,512	569
1911	15,478	15,488	30,960	61,926	17,686	44,240	7,512	660
1912	15,480	15,490	35,729	66,699	17,518	49,181	7,511	661

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends	Dividends
		Way	Equipment							
1900	\$6,599	\$1,190	\$528	\$2,132	\$2,749	\$7	\$2,756	\$1,036	\$1,700	\$774
1905	7,221	773	750	2,825	2,873	33	2,906	1,099	1,807	1,086
1906	7,962	855	804	3,008	3,295	37	3,332	1,098	2,234	1,084
1907	8,589	827	1,218	3,546	2,998	152	3,150	1,167	1,983	1,204
1908	7,592	886	939	3,131	2,636	229	2,865	1,188	1,677	1,240
1909	7,974	970	968	3,218	2,818	361	3,179	1,434	1,745	1,240
1910	8,632	1,128	1,028	3,806	2,670	1,286	3,956	1,469	2,487	2,160
1911	8,650	1,047	1,177	4,040	2,386	1,607	3,993	1,815	2,178	2,160
1912	8,404	1,173	1,289	3,893	2,040	1,013	3,062	1,739	1,323	2,006

Fiscal year	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock	
									Preferred	Common
1900	\$476	\$430	58.35%	26.0%	32.3%	16.0%	19.0%	8.0%	26.5%	17.2%
1905	89	632	60.22	21.1	39.1	15.0	21.8	9.0	25.3	15.6
1906	319	831	58.62	20.9	37.7	13.8	24.1	10.3	31.3	20.7
1907	66	713	65.09	23.8	41.3	13.6	23.5	8.7	28.1	12.6
1908	437	65.27	24.1	41.2	15.6	21.9	9.0	25.2	10.9	
1909	505	64.66	24.3	40.3	17.9	15.9	8.8	11.1	8.1	
1910	327	69.05	24.9	44.1	17.0	15.2	10.7	16.06	9.1	
1911	18	72.40	25.7	46.7	21.0	13.9	9.0	14.06	7.1	
1912		683*	75.64	29.3	46.3	20.7	12.6	6.2	8.54	1.5

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.63	\$.132	\$.297	\$.639	\$.582	\$.0235	\$.0093	528,983	205	74%	37,481
1905	1.79	.196	.191	.743	.660	.0224	.0088	590,823	265	72	43,003
1906	1.93	.207	.195	.840	.688	.0223	.0086	669,991	282	72	41,154
1907	1.97	.189	.279	.813	.689	.0220	.0086	731,299	290	73	45,937
1908	1.89	.220	.333	.777	.660	.0192	.0081	664,153	274	71	47,757
1909	1.94	.235	.335	.780	.690	.0189	.0084	672,460	274	71	47,585
1910	1.97	.260	.237	.876	.597	.0188	.00843	709,119	276	69	47,286
1911	1.98	.241	.269	.929	.541	.0186	.00841	708,671	275	69	46,992
1912	1.97	.275	.303	.917	.475	.0203	.00838	679,782	288	68	49,948

* Deficit.

[209]

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Chicago, Milwaukee & St. Paul Railway System, together with the bases upon which they have sold during the decade ending December 31, 1912:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

General Mortgage Gold 3½s and 4s

Dated May 1, 1889

Maturing May 1, 1989

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$150,000,000

Outstanding (4s) \$48,841,000
(3½s) 8,950,000
Per mile 9,150

Provisions of issue: Of the total amount authorized, there are \$57,791,000 outstanding at present as above, \$39,233,000 in the treasury of the company at present unsold, and \$52,986,000 reserved to retire prior liens.

Security: The above bonds are secured by a direct mortgage on 6,314.78 miles of road, bridges, terminals, realty, equipment and future acquisitions on the above. They are secured by a first mortgage on 3,753.07 miles, a second mortgage on 2,611.71 miles, and on the terminal property in Milwaukee subject to the Chicago, Milwaukee & St. Paul Terminal First 5s of 1914.

Trustee: United States Trust Company, New York.

The General Mortgage 4s sold in 1900 on a 3.47 to 3.65 basis

1901	3.47	3.62
1902	3.39	3.60
1903	3.55	3.875
1904	3.55	3.78
1905	3.47	3.60
1906	3.57	3.78
1907	3.72	4.07
1908	3.84	4.00
1909	3.82	3.95
1910	3.98	4.07
1911	4.02	4.07
1912	4.05	4.15

The General Mortgage 3½s sold in 1902 on a 3.33 basis

1903	3.57
1904	3.55 to 3.60 basis
1905	3.54 3.625
1906	3.62 3.84
1907	3.80 4.30
1908	3.78 4.05
1909	3.78 4.00
1910	3.95 4.12
1911	4.00 4.10
1912	4.05 4.20

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Debenture Gold 4s

Dated July 1, 1909

Maturing July 1, 1934

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$28,050,000

Provisions of issue: Of the total amount authorized there are at present outstanding, as above, \$28,050,000, the balance, \$21,950,000 being reserved for construction of branches and feeders for the Pacific extension to Puget Sound.

Security: The above bonds are not secured by a mortgage, but they are direct obligations of the company as evidenced by its indenture, which provides that no new mortgage shall be placed on the railroad owned by it July 1, 1909, without equally securing these bonds.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1909 on a 4.35 to 4.40 basis

1910	4.42	4.62
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1911	4.45	4.65
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1912	4.55	4.75
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These bonds are considered legal for savings banks in New Hampshire and Rhode Island.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Chicago & Pacific Western Division, First Gold 5s

Dated January 1, 1881

Maturing January 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$25,340,000

Per mile . . . 22,605

Security: The above bonds are secured by a first mortgage on the main line from Marion to Council Bluffs, Ia., 261.06 miles; from Scotland to Aberdeen, S. D., 176.32 miles; from Manila, Ia., to Scotland Junction, 178.12 miles; from Ottumwa Junction to Coburg, Mo., 202.54 miles, and branches; the above totalling 1,120.9 miles. The bonds are further secured by a first mortgage on the equipment and future acquisitions on the above.

Equity: The above bonds are prior in lien to the General Mortgage 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which has been reserved to retire this issue. Under the terms of the above General Mortgage no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.50 to 3.75 basis

1901	3.47	3.80
1902	3.72	4.10
1903	3.65	3.70
1904	3.55	3.80
1905	3.50	3.75
1906	3.20	3.62
1907	3.875	4.50
1908	3.82	4.17
1909	3.90	4.15
1910	4.00	4.375
1911	4.08	4.25
1912	4.10	4.40

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Dubuque Division First Currency 6s

Dated July 1, 1880

Maturing July 1, 1920

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$6,500,000 plus \$15,000 per mile

Outstanding \$4,784,000
Per mile . . . 13,550

Provisions of issue: The amount originally authorized, as above, was limited by the terms of the General Mortgage 4s and $3\frac{1}{2}$ s of 1989 to \$5,565,000. Of this amount, \$4,784,000 are outstanding in the hands of the public, and the balance, \$781,000, has been retired by the sinking fund.

Security: The above bonds are secured by a first mortgage on the line from Clinton, Ia., to River Junction, Minn., 178.01 miles, and important branches, the above totalling 352.84 miles. The bonds are further secured by a first mortgage on the equipment and future acquisitions of the above.

Equity: The above bonds are prior in lien to the General Mortgage 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which has been reserved to retire this issue.

Sinking fund: An annual amount, equal to 1% of the total bonds issued, is to be applied to the purchase of these bonds at not exceeding 103. Bonds so purchased are to be cancelled, and if not so purchasable, the money is to be invested in other first mortgage 6% bonds of the company. The sinking fund went into effect July 1, 1885.

These bonds sold in 1900 on a 3.625 to 3.84 basis

1901	3.67	
1903	3.80	4.10
1904	3.85	3.90
1905	3.67	
1906	3.72	3.95
1908	4.27	
1909	3.92	
1910	4.25	4.375
1911	4.05	4.20
1912	4.00	4.35

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Wisconsin & Minnesota Division First Gold 5s

Dated July 1, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$4,755,000

Per mile . . . 22,115

Security: The above bonds are secured by a first mortgage on 215.15 miles of road and future acquisitions. The lines included in this mortgage are those from Wabasha to Zumbrota, Minn., and from Wabasha to Chippewa Falls, Wis., also the important line from St. Paul to Minneapolis.

Equity: The above bonds are prior in lien to the General 4s and 3½s of 1889, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 3½s of 1889 no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.58 to 3.82 basis

1901	3.60	3.82
1902	3.47	3.80
1903	3.70	4.05
1904	3.68	3.875
1905	3.62	3.72
1906	3.67	3.95
1907	4.00	4.60
1908	3.90	4.20
1909	3.95	4.15
1910	4.10	4.37
1911	4.12	4.20
1912	4.15	4.30

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Chicago & Missouri River Division First Currency 5s

Dated July 1, 1886

Maturing July 1, 1926

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (closed mortgage)

Outstanding \$3,083,000
Per mile . . . 41,105

Security: The above bonds are secured by a first mortgage on the company's lines in South Dakota, totalling 75.02 miles.

Equity: The above bonds are prior in lien to the General 4s and 3½s of 1889, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 3½s of 1889, no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.57 to 3.78 basis

1901	3.60	3.87
1902	3.50	3.80
1903	3.77	4.05
1904	3.67	3.95
1905	3.62	3.73
1906	3.70	3.95
1907	4.00	4.30
1908	4.05	4.23
1909	3.95	4.15
1910	4.11	4.38
1911	4.20	
1912	4.15	4.40

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

La Crosse & Davenport Division First Currency 5s

Dated July 1, 1879

Maturing July 1, 1919

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$3,000,000 (closed mortgage)

Outstanding \$2,500,000
Per mile . . . 13,250

Security: The above bonds are secured by a first mortgage on the company's line from Davenport to Jackson Junction, Ia., and branches, totalling 188.62 miles. They are further secured by a first mortgage on the equipment of the line and future acquisitions.

Equity: The above bonds are prior in lien to the General 4s and 3½s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 3½s of 1989 no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.60 to 3.70 basis

1901	3.57	3.67
1902	3.50	3.72
1903	3.75	3.92
1904	3.82	3.90
1905	3.60	3.75
1906	3.67	3.92
1907	4.12	4.35
1908	3.92	4.22
1909	4.15	
1910	4.20	4.40
1911	4.25	4.35
1912	4.20	4.25

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Wisconsin Valley Division First Currency 6s

Dated July 1, 1880

Due July 1, 1920

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,700,000 plus \$15,000 per mile

Outstanding \$1,853,000
Per mile . . . 11,475

Provisions of issue: The amount originally authorized, as above, was limited by the terms of the General Mortgage 4s and 3½s of 1989 to \$2,466,000, of which \$1,853,000 are outstanding in the hands of the public, and the balance, \$613,000, has been retired by the sinking fund.

Security: The above bonds are secured by a first mortgage on the Division's line from Tomah to Minocqua, Wis., 161.49 miles. They are further secured by a first mortgage on the equipment of the line and all future acquisitions.

Equity: The above bonds are prior in lien to the General 4s and 3½s of 1989, a sufficient number of which have been reserved to retire this issue.

Trustee: New England Trust Company, Boston.

Sinking fund: The annual amount equal to 1% of the total issue of these bonds is to be applied to their purchase at not exceeding 103. Bonds so purchased are to be cancelled, but if not so purchasable the amount is to be invested in first mortgage 6% bonds of the company. The sinking fund became effective July 1, 1885.

The bonds sold in 1900 on a 3.78 to 3.90 basis

1901	3.87	
1902	3.78	
1903	3.80	4.10
1904	3.92	4.00
1905	3.72	
1906	3.82	3.90
1909	3.95	(bid)
1910	4.25	
1911	4.12	to 4.32
1912	4.125	4.55

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Chicago & Lake Superior Division First Gold 5s

Dated July 21, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000 per mile

Outstanding \$1,360,000
Per mile . . . 7,705

Security: The above bonds are secured by a first mortgage on the lines of the division in Wisconsin, totalling 171.79 miles. They are further secured by a first mortgage on the entire equipment of those lines and all future acquisitions.

Equity: The above bonds are prior in lien to the General 4s and 3½s of 1889, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and 3½s of 1889 no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.60 to 3.80 basis

1901	3.52	3.82
1902	3.50	
1903	3.72	
1905	3.62	3.72
1907	4.20	
1909	4.00	4.10
1910	4.10	4.15
1911	4.12	4.25
1912	3.90	4.30

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Terminal First Gold 5s

Dated July 1, 1884

Maturing July 1, 1914

Interest payable January 1 and July 1 at the Company's office, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,748,000

Provisions of issue: The amount originally authorized, as above, was limited by the terms of the General 4s and 3½s of 1889 to \$4,773,000, of which \$4,748,000 are outstanding in the hands of the public, and the balance, \$25,000, has been retired by and held under the General 4s and 3½s.

Security: The above bonds are secured by a first mortgage on the railroad terminal property in Chicago and Milwaukee and all future acquisitions. They are prior in lien to the General 4s and 3½s of 1889, a sufficient number of which have been reserved to retire this issue.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1900 on a 3.50 to 3.87 basis

1901	3.50	3.82
1902	3.45	3.75
1903	3.75	3.85
1904	3.65	3.90
1905	3.47	3.70
1906	3.75	4.12
1907	3.95	5.00
1908	3.70	4.37
1909	3.85	4.10
1910	4.00	4.35
1911	4.00	4.30

December, 1912 4.80 (bid)

These bonds are considered a legal investment for savings banks in New England.

FARGO & SOUTHERN RAILWAY

First Mortgage Gold 6s

Dated October 10, 1883

Maturing January 1, 1924

Interest payable January 1 and July 1 at the office of the Chicago, Milwaukee & St. Paul Railway, 42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$1,250,000 (closed mortgage)

Outstanding \$1,250,000
Per mile . . . 10,685

Security: The above bonds are secured by a first mortgage on the company's line from Fargo, N. D., to Ortonville, Minn., 116.97 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

Equity: The above bonds are prior in lien to the General 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and $3\frac{1}{2}$ s no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

The Fargo & Southern Railway Company was incorporated in the territory (now the State) of Dakota, and the property of the railroad was purchased by the Chicago, Milwaukee & St. Paul Railway Company in 1885. The latter assumed the mortgage indebtedness of the Fargo & Southern Railway Company and the above bonds are so endorsable upon presentation.

These bonds sold in 1909 on a 4.10 to 4.30 basis

1910	4.37
1911	4.25
December, 1912	4.50 (bid)

These bonds are considered a legal investment for savings banks in New England except Maine.

DAKOTA & GREAT SOUTHERN RAILWAY

First Mortgage Gold 5s

Dated January 1, 1886

Maturing January 1, 1916

Interest payable January 1 and July 1 at the office of the Chicago, Milwaukee & St. Paul Railway,
42 Broadway, New York.

Coupon bonds of \$1,000.

Authorized (closed mortgage)

Outstanding \$2,856,000
Per mile . . . 17,962

Security: The above bonds are secured by a first mortgage on the company's lines in North and South Dakota, totalling 158.93 miles, and all the equipment on them and future acquisitions.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

Equity: The above bonds are prior in lien to the General 4s and $3\frac{1}{2}$ s of 1989, a sufficient number of which have been reserved to retire this issue. Under the terms of the General 4s and $3\frac{1}{2}$ s no further bonds may be issued.

Trustee: Farmers' Loan & Trust Company, New York.

The Dakota & Great Southern Railway Company was incorporated in the territory (now the State) of Dakota, and the property of the railway was purchased by the Chicago, Milwaukee & St. Paul Railway Company in 1886, the latter assuming the mortgage indebtedness of the company.

These bonds sold in 1900 on a 3.57 to 4.10 basis.

1901	3.57	3.95
1902	3.55	3.85
1903	3.87	4.10
1904	3.70	3.98
1905	3.62	3.67
1906	3.75	4.10
1907	4.10	4.20
1908	3.85	4.37
1909	4.05	4.22
1910	4.35	4.50
1911	4.15	4.30
1912	4.20	4.40

These bonds are considered a legal investment for savings banks in New England except Maine.

MILWAUKEE & NORTHERN RAILROAD

First Mortgage 4½s

Dated June 10, 1880

Maturing June 1, 1913

Extended June 1, 1910, and reduced from 6s

Interest payable June 1 and December 1 at the office of the Chicago, Milwaukee & St. Paul Railway, 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,155,000

Outstanding \$2,155,000
Per mile . . . 16,835

Security: The above bonds are secured by a first mortgage on the company's line from North Milwaukee to Green Bay, Wis., and branches, totalling 128.25 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

Equity: The above bonds are prior in lien to \$4,003,000 Milwaukee & Northern Consolidated 6s of 1913.

The Milwaukee & Northern Railroad was incorporated under the laws of Wisconsin. The property of the railroad was deeded to the Chicago, Milwaukee & St. Paul Railway Company in 1893. The latter assumed at that time all its funded indebtedness.

These bonds sold in 1911 on a 4.10 to 4.37 basis
July, 1912 4.25

These bonds are considered a legal investment for savings banks in New England.

MILWAUKEE & NORTHERN RAILROAD

Consolidated Currency 6s

Dated February 11, 1884

Maturing June 1, 1913

Interest payable June 1 and December 1 at 42 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$8,000,000

Outstanding \$4,003,000

Per mile . . . 9,508

Provisions of issue: Of the total amount authorized, \$4,003,000 are outstanding in the hands of the public and \$1,089,000 are held in the treasury of the company. They are subject to the Milwaukee & Northern First 4½s of 1913.

Security: The above bonds are secured by a direct mortgage on 420.71 miles of road, and all the equipment on the lines covered, and future acquisitions. They are secured by a first mortgage on 292.46 miles, all in Wisconsin, and by a second mortgage (subject to the above-mentioned 4½s of 1913) on 128.25 miles.

These bonds have been ASSUMED by the Chicago, Milwaukee & St. Paul Railway Company.

These bonds sold in 1900 on a 3.85 to 4.00 basis

1901	3.70	4.00
1902	3.45	3.70
1903	3.70	4.05
1904	3.60	4.10
1905	3.65	3.75
1906	3.55	
1907	3.85	5.05
1908	3.75	4.30
1909	3.90	4.50
1910	4.00	4.70
1911	4.05	5.05
July, 1912	4.50	

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

European Loan Debenture 4s

Dated June 1, 1910

Maturing June 1, 1925

Interest payable June 1 and December 1 at Paris and London, in pounds sterling and francs,

Coupon bonds of 500 and 2,500 francs.

Authorized 250,000,000 francs

Outstanding 250,000,000 francs

Security: The above bonds are not secured by mortgage, but are a direct obligation of the company as evidenced by its indenture, which provides that no future mortgage shall be executed upon

any part of its system without giving existing bonds the benefit thereof. The company further covenants not to part with any present or future holdings of the shares of the Chicago, Milwaukee & Puget Sound Railway Company so long as any of these debentures shall remain outstanding.

Trustee: United States Mortgage & Trust Company, New York.

These bonds were issued for the purpose of obtaining funds for the extension of the company's railway, for second track purposes, for additional equipment, and for such other additions and betterments as should be ordered by the board of directors.

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, MILWAUKEE & PUGET SOUND RAILWAY

First Mortgage Gold 4s

Dated January 1, 1909

Maturing January 1, 1949

Interest payable January 1 and July 1 at Company's office, 42 Broadway, New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Coupon bonds of \$500 and \$1,000 are fully registerable.

Registered bonds of \$500, \$1,000 and \$5,000 and multiples of \$500.

Coupon and registered bonds interchangeable.

Authorized \$200,000,000

Outstanding \$155,691,410

Provisions of issue: Of the amount outstanding, \$129,596,410 are held in the treasury of the Chicago, Milwaukee & St. Paul Railway, and \$26,095,000 are in the hands of the public. The balance, \$44,308,590, is reserved for expenditures made after January 1, 1911, for construction or acquisition of new lines, terminals, equipment, improvements, etc., under restrictions of the mortgage.

Security: The above bonds are secured by a first mortgage on the entire railroad line, terminals, equipment, operating contracts, etc., of the company including: (a) a first mortgage on 2,012 miles of road comprising the main line from Mobridge, S. D., to Maple Valley, Wash., and branches constructed and in operation; (b) a first mortgage on the company's undivided half interest in the line from Black River Junction to Tacoma, Wash., 71.23 miles, owned jointly with the Oregon-Washington Railroad & Navigation Company; (c) also upon equipment costing about \$2,555,000, terminals in Seattle, costing over \$2,000,000, terminals in Tacoma costing over \$2,000,000, and terminals in Spokane costing over \$3,000,000; (d) also upon operating contracts expiring in 2005 on the line from Maple Valley to Seattle, Wash. (about 20.5 miles).

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Milwaukee & St. Paul Railway Company by endorsement.

Trustees: The United States Trust Company, New York, and Edward W. Sheldon, Esq.

These bonds sold in 1911 on a 4.27 to 4.35 basis

1912	4.25	4.40
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These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY

Convertible Gold 4½s

Dated June 1, 1912

Maturing June 1, 1932

Interest payable June 1 and December 1, at New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Registered bonds of \$500, \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$34,893,500

Provisions of issue: Of the total amount authorized, \$34,893,500 are outstanding as above, and the balance, \$15,106,500, have been reserved for corporate purposes.

Security: The above bonds are a direct obligation of the Chicago, Milwaukee & St. Paul Railway Company, but are not secured by a mortgage. In its indenture the company agrees to make no new mortgage upon its railroads, or any part thereof, while these bonds are outstanding, without ratably securing the same by such a mortgage.

Convertibility: These bonds are convertible at par into common stock from June 1, 1917, to June 1, 1922, inclusive.

Redemption: They are redeemable as a whole on or after December 1, 1922, upon 90 days' notice, at 105 and interest.

Trustee: United States Trust Company, New York.

These bonds were offered to stockholders of record April 25, 1912, at par to the extent of 15% of their holdings, the right to subscribe closing on, and not later than, May 31, 1912. They sold up to Jan. 1, 1913, on a 4.00 to 4.37 basis.

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY
COMPANY

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY COMPANY

HISTORY

The Chicago, St. Paul, Minneapolis & Omaha Railway was chartered in 1880, under the laws of Wisconsin, as a consolidation, effective June 1 of that year, of the Chicago, St. Paul & Minneapolis Railway and the North Wisconsin Railway Companies. During its thirty-odd years of existence it has acquired various branches, among them the St. Paul & Sioux City Railroad, the Menominee Railway, the Sault Ste. Marie & Southwestern Railway, the Minnesota & Wisconsin Railroad, the Chippewa Valley & Northwestern Railway, the Superior Short Line Railway and the Eau Claire, Chippewa Falls & Northeastern Railway.

Since 1907 several extensions have been built and are now under operation. The first was opened for traffic October 25, 1907, running from Newcastle to Wynot, Nebraska, a distance of 18 miles. On January 1, 1909, an extension of the line from Draper to Kennedy, Wisconsin, 9 miles, was put in operation, and on October 3, 1910, an extension from Kennedy to Kaiser, Wisconsin, a distance of 5 miles, was completed and opened for traffic. In the fall of 1911 a short extension from Black River Falls to a connection with the main line at Vaudreuil, Wisconsin, was completed.

The "Omaha," as it is familiarly known, passed under the control of the Chicago & Northwestern Railway Company in November, 1883, and has since then been operated practically as a part of the larger road. Of its \$11,259,911 outstanding preferred stock, \$5,380,000 is owned by the Northwestern, which also owns \$9,540,000 of the \$18,559,086 common stock. This gives the latter control of 149,200 shares of the 298,190 outstanding. A majority of its directors are directors of the Northwestern.

PROPERTY

Based on the company's report for the fiscal year ending June 30, 1912, the company operated 1,744.39 miles of road, of which 1,674.80 miles were owned in fee and 69.59 miles were those of leased lines. The average miles operated for the fiscal year 1912 were 1,745.10. In addition to this, the company owned and operated 119.85 miles of second track as compared with 85.29 miles in 1911.

Its lines run southerly from Bayfield, Wisconsin, and Duluth, Minnesota, on Lake Superior, through St. Paul and Minneapolis, to Sioux City and Omaha, Nebraska, with important branches. It traverses the States of Wisconsin, Minnesota and Nebraska, whose population in 1890 was 4,047,620 as compared with 5,601,700 in 1910.

CAPITALIZATION

The capital account of the Chicago, St. Paul, Minneapolis & Omaha Railway Company stood on its balance sheet of June 30, 1912, as follows:

Capital stock	
Preferred	\$12,646,833
Common	21,403,293
Total capital stock	\$34,050,126
Funded debt	35,098,046
Gross capitalization	\$69,148,172
Securities owned	380,595
Net capitalization	\$68,767,577
Net capital per mile operated	\$39,350
Average miles operated	1,745.10
Net income to net capital	7.1%
Fixed charges to net income	57.5%
Margin of safety	42.5%

In the above table are included \$1,386,922 preferred and \$2,844,207 common stocks held in the treasury of the company, also \$51,046 bonds.

Prior to 1912 there had been no material increases in the capitalization of the company since its control by the Northwestern, in fact, no large financing since 1880. A sale of bonds by the Omaha was recorded in April, 1911, when \$1,500,000 5% bonds of the Superior Short Line, which had been held in the treasury of the company, were sold.

During the fiscal year of 1912 the directors were authorized to issue \$15,000,000 5% debentures. By permission of the Railroad Commission of Wisconsin \$5,000,000 of these bonds were sold in February, 1912, causing an increase in the total funded debt per mile of road operated of \$2,845. The important result of this issue has been the double tracking of the line from Eau Claire to Hudson, Wisconsin, a distance of 60 miles, which was made necessary because of the heavy traffic passing over that portion of the road. Of the total issue, \$3,700,000 will be used for constructing and equipping the double trackage, but with the completion of the work a material increase in revenue is anticipated.

On June 30, 1912, the company's funded debt per mile was \$20,113, as compared with \$17,267 in 1911. The total net capital outstanding per mile was \$39,350, on which 7.1% net was earned. This compares with \$36,594 and 8.7% respectively in 1911.

The capital showing of the "Omaha" is very nearly as good as that of the Northwestern. The latter's net capital per mile was \$40,634, but its net income on this was 7.6% as compared with the "Omaha's" \$39,350 net capital per mile and net income of 7.1%. In 1912 the Chicago, Milwaukee & St. Paul reported a net capitalization of \$49,181 and earned 6.2% net on this figure.

In all three cases the margin of safety for the interest on the securities was relatively high, the "Omaha's" figure of practically 42.5% comparing with 47.5% for the Northwestern and 43.2% for the St. Paul.

CHARACTER OF TRAFFIC

No commodity statistics are given by the company in its report, but, like the Northwestern, it is known to depend largely for its freight traffic on the lumber and mine products of the north and the grain fields of Nebraska. About two-thirds of the business of the road is freight and the general stability of its freight traffic is shown by the following table:

Year	Freight density	Train load tons	Freight earnings	Rate per ton per mile
1907	625,176	238	\$9,423,097	\$.0088
1908	538,340	233	8,276,781	.0089
1909	550,958	245	8,627,853	.0090
1910	615,863	251	9,720,912	.0091
1911	672,233	274	10,563,204	.0090
1912	625,887	249	9,478,792	.0087

It will be seen that, with the exception of two poor years in 1908 and 1909, the road's tonnage held up very satisfactorily. During the fiscal year of 1912 the company reported a decline of 475,223 tons of revenue freight carried as compared with 1911, due to poor crops in part of its territory. This, together with a decrease in the average rate per ton per mile, brought about a decrease in freight revenue of \$1,084,412, or 10%.

It is interesting to compare the average freight density, train load tons and rate per ton of the Omaha for the six years ending June 30, 1912, with the corresponding averages of the Northwestern and the St. Paul:

	Freight density	Train load tons	Rate per ton
Omaha	604,743	248	\$.0089
Northwestern	679,170	270	.0089
St. Paul	694,247	279	.0083

The passenger business of the Omaha is of growing importance. During the fiscal year of 1912 it represented nearly 30% of the total business of the road. With the growth in population the passenger density has shown a marked increase, save in 1912, while earnings in the face of a general decrease in passenger rates have shown a corresponding gain from year to year, as will be seen by the following table:

Year	Passenger density	Passenger earnings	Rate per passenger per mile
1907	97,086	\$3,758,563	\$.0227
1908	108,079	3,690,483	.0198
1909	118,329	3,990,944	.0195
1910	129,075	4,309,072	.0192
1911	133,758	4,475,419	.0192
1912	126,636	4,551,593	.0206*

* During the fiscal year of 1912 the passenger rate was increased to three cents a mile.

EARNINGS

Based on the annual reports of the Chicago, St. Paul, Minneapolis & Omaha Railway, gross and net earnings, also figured on a per mile basis, are given for the years 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	1,705	\$14,035,310	\$8,232	\$5,056,296	\$2,966
1908	1,725	12,840,368	7,444	4,353,128	2,527
1909	1,734	13,524,649	7,799	4,693,421	2,706
1910	1,739	15,095,023	8,680	5,206,543	2,993
1911	1,743	16,092,851	9,232	5,436,797	3,118
1912	1,745	15,135,426	8,674	4,669,210	2,676

The general business depression of 1908 and 1909 had its effect on the earnings of this system as well as others, and the splendid recovery shown in 1910 and 1911 is very satisfactory. Gross earnings in 1911 were 25% higher than the low figures of 1908, and the largest ever reported. Net earnings also were the highest ever reported, being nearly \$400,000 greater than the previous high record of 1907, and 28% higher than the low figures of 1908. Gross earnings in 1912 declined over \$950,000, while net earnings fell \$767,600, as compared with 1911.

MAINTENANCE

Following are the amounts spent by the Omaha for maintenance during the years 1907 to 1912 inclusive:

Year	Maintenance		Total maintenance	Total per mile
	Way	Equipment		
1907	\$1,782,707	\$1,594,220	\$3,386,927	\$1,980
1908	1,585,380	1,507,267	3,092,647	1,792
1909	1,643,784	1,577,831	3,221,615	1,858
1910	1,956,500	1,758,143	3,714,643	2,137
1911	1,965,393	1,863,983	3,829,376	2,197
1912	1,684,548	1,796,694	3,481,242	1,995

In spite of the sharp decline in gross earnings during 1908 and 1909 the company did not apparently curtail maintenance charges materially. In 1910 and 1911 maintenance appears to have been liberal.

The following table is appended showing the average traffic densities and the average amounts spent for maintenance per mile by the Omaha, the Northwestern, and the St. Paul, for six years ending June 30, 1915:

	Traffic density	Total maintenance per mile	Per cent of total to gross earnings
Omaha	723,570	\$1,993	23.9%
Northwestern	804,077	2,321	25.3
St. Paul	785,417	2,108	25.3

While the Omaha reported an average density nearly 100,000 less than the Northwestern, it spent on an average but \$220 per mile less for maintenance of way and equipment. With a traffic density over 75,000 less than the St. Paul, the Omaha spent over \$60 a mile more than the former, a very favorable showing.

ADDITIONS AND BETTERMENTS

There have been no betterments charged to income since the fiscal year of 1906, when \$600,000 was set aside for this purpose. All improvements made since then have been charged to capital as follows:

Year	Property	Additions to Equipment	Total additions	Less property and equipment sold	Net additions
1907	\$1,062,028	\$124,627	\$1,186,655	\$13,128	\$1,173,527
1908	424,125	535,155	959,280	156,613	802,666
1909	255,225	18,132	273,357	37,849	235,508
1910	381,939	591,730	973,669	384,542	589,126
1911	822,544	577,182	1,399,726	40,989	1,358,736
1912	2,070,294	365,365	2,435,659	81,061	2,354,598
					\$6,514,161

DIVIDENDS

The Chicago, St. Paul, Minneapolis & Omaha Railway Company has paid the following dividends since 1897:

	Preferred stock
1897-1912	7 ^C / ₆
	Common stock
1897-8	2 ^C / ₆
1899	3 ¹ / ₂
1900-1	5
1902-4	6
1905-12	7

Since 1905 the company has reported the following surpluses over all charges and dividends. These amounts have been carried to profit and loss.

Year	Amount	Per cent earned on common stock *	Year	Amount	Per cent earned on common stock
1905	\$154,268	8.6	1909	\$175,330	6.9 ^C / ₆
1906	331,279	10.4	1910	528,375	8.5
1907	756,342	9.6	1911	729,475	9.4
1908	18,144	6.2	1912	2,307†	6.1

It will be noted that in every year up to 1912, except 1908, dividends were earned by substantial margins. It was probably on the strength of this showing that the company felt justified in maintaining its dividend rate in the face of the temporary set back which earnings received in 1912.

On June 30, 1912, the Profit and Loss Account of the company stood on its general balance sheet at \$4,626,822. This is equal to 13.6^C/₆ of the total capital stock.

STATISTICS

Following are given capitalization, earnings and traffic statistics of the Chicago, St. Paul, Minneapolis & Omaha Railway, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive:

* Common stock figure used includes treasury stock upon which no dividends are paid.

† Deficit.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY

Fiscal year	Preferred stock	Common stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$8,190	\$13,862	\$16,730	\$1,424	\$40,206	\$54	\$40,152	1,544	33
1905	7,514	12,717	16,519	1,473	38,223	127	38,096	1,683	38
1906	7,470	12,643	16,466	1,458	38,037	88	37,949	1,693	42
1907	7,417	12,553	16,485	1,436	37,891	89	37,802	1,705	66
1908	7,331	12,407	16,454	1,796	37,988	94	37,894	1,735	85
1909	7,293	12,343	16,449	....	36,085	113	35,972	1,734	85
1910	7,272	12,307	17,265	....	36,844	112	36,732	1,739	85
1911	7,255	12,279	17,267	....	36,801	207	36,594	1,743	85
1912	7,247	12,208	20,113	....	39,568	218	39,350	1,745	120

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$6,698	\$1,228	\$592	\$2,126	\$2,752	....	\$2,752	\$1,198	\$1,554
1905	7,087	821	685	2,711	2,870	..	2,870	1,500	1,570
1906	7,645	960	714	2,849	3,122	....	3,122	1,540	1,782
1907	8,232	1,045	935	3,286	2,966	....	2,966	1,298	1,668
1908	7,444	919	873	3,125	2,527	\$132	2,659	1,436	1,223
1909	7,739	948	910	3,235	2,706	71	2,777	1,473	1,304
1910	8,680	1,126	1,011	3,550	2,993	82	3,075	1,572	1,503
1911	9,232	1,128	1,069	3,917	3,118	80	3,198	1,583	1,615
1912	8,674	965	1,030	4,003	2,676	138	2,814	1,619	1,195

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock†	
										Preferred	Common
1900	\$1,111	\$324	\$119	59.0%	27.1%	31.9%	17.9%	16.6%	6.8%	18.9%	7.6%
1905	1,239	239	92	59.5	21.3	38.2	18.3	18.5	7.5	20.9	8.6
1906	1,233	355	194	59.1	21.9	37.2	17.5	20.1	8.2	23.8	10.4
1907	1,224	....	444	64.2	24.2	40.0	15.8	21.7	7.8	22.4	9.6
1908	1,211	..	12	66.1	24.1	42.0	19.3	19.6	7.0	16.7	6.2
1909	1,204	....	100	65.3	23.8	41.5	18.8	21.6	7.7	17.8	6.9
1910	1,200	....	303	65.5	24.6	40.9	18.1	23.6	8.3	20.7	8.5
1911	1,197	....	418	66.3	23.9	42.4	17.1	25.1	8.7	23.2	9.4
1912	1,196	..	1*	69.1	23.0	46.1	18.6	21.9	7.1	16.5	6.1

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.92	\$3.28	\$1.60	\$5.70	\$8.62	\$0.241	\$0.0097	489,466	276	70%	10,608
1905	1.78	.203	.168	.669	.740	.0233	.0093	520,031	234	70	12,029
1906	1.53	.204	.152	.609	.565	.0235	.0093	555,275	225	68	12,483
1907	1.68	.215	.192	.676	.597	.0227	.0088	625,176	238	67	12,490
1908	1.69	.227	.215	.755	.493	.0198	.0089	538,340	233	65	13,036
1909	1.72	.202	.210	.716	.592	.0195	.0090	550,958	245	64	13,038
1910	1.89	.230	.207	.728	.725	.0192	.0091	615,863	251	64	12,238
1911	1.88	.228	.216	.792	.644	.0192	.0090	672,233	274	65	12,533
1912	1.72	.192	.204	.795	.529	.0206	.0087	625,887	249	63	12,098

* Deficit.

† Includes treasury stock upon which no dividends are paid.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Chicago, St. Paul, Minneapolis & Omaha Railway System, together with the bases upon which they have sold during the decade ending December 31, 1912:

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY

Consolidated Mortgage 6s & 3½s

Dated June 1, 1880

Maturing June 1, 1930

Interest payable June 1 and December 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$30,000,000

Outstanding (6s) \$16,697,000

(3½s) 3,734,000

Per mile . . . 12,205

Provisions of issue: Of the \$30,000,000 authorized, \$20,431,000 are outstanding as above, \$7,766,000 are reserved to retire prior liens, \$1,801,954 are reserved for additions and betterments at not exceeding \$15,000 per mile, and \$1,046 are in the treasury of the company.

Security: These bonds are secured by a direct mortgage on 1,674.23 miles of road, and property and equipment of the same. They are secured by a first mortgage on 661.39 miles, covering many important branch lines in Nebraska and Wisconsin. They are further secured by a second mortgage on 1,012.84 miles covered by the first lien of the Chicago, St. Paul & Minneapolis First 6s of 1918, the St. Paul & Sioux City First 6s of 1919, the North Wisconsin First 6s of 1930, in part by the Superior Short Line First 5s of 1930, and the Sault Ste. Marie & Southwestern First 5s of 1915. Of these prior liens, the Chicago, St. Paul, Minneapolis & Omaha First 6s of 1918, the St. Paul & Sioux City First 6s of 1919, and the Northern Wisconsin First 6s of 1930 will be retired by bonds of the above issue, at which time the property under the former will become a first mortgage under the latter.

Trustee: Central Trust Company, New York.

The Consolidated 6s of 1930 sold in 1902 on a 3.60 to 3.95 basis

1903	3.80	4.20
1904	3.85	4.10
1905	3.62	3.87
1906	3.70	4.05
1907	3.95	4.70
1908	3.85	4.50
1909	3.85	4.10
1910	4.00	4.27
1911	4.05	4.22
1912	4.10	4.37

The Consolidated 3½s of 1930 sold in 1903 on a 3.75 to 3.95 basis

1909	4.00	4.20
1910	4.25	(bid)
1911	4.20	(bid)
1912	4.37	

These bonds are considered a legal investment for savings banks in Massachusetts, New Hampshire, Vermont, Connecticut and Rhode Island.

SAULT STE. MARIE & SOUTHWESTERN RAILWAY

First Mortgage 5s

Dated November 1, 1890

Maturing November 1, 1915

Interest payable May 1 and November 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$400,000

Outstanding \$350,000

Per mile . . . 9,459

Provisions of issue: Of the \$400,000 authorized, \$50,000 are owned by the company, and \$350,000 are in the hands of the public as above.

Security: These bonds are secured by a first mortgage on the line from Fairchild to Mondovi, Wis., a distance of 36.75 miles; also on equipment and future acquisitions.

The bonds have been ASSUMED by the Chicago, St. Paul, Minneapolis & Omaha Railway Company.

Equity: This issue is prior in lien to the Chicago, St. Paul, Minneapolis & Omaha Consolidated 6s and $3\frac{1}{8}$ s of 1930.

Trustee: Farmers' Loan & Trust Company, New York.

The Sault Ste. Marie & Southwestern Railway was chartered March 29, 1886, under the laws of the State of Wisconsin. In 1890 the line was opened for traffic, and in 1893 the property was merged into the Chicago, St. Paul, Minneapolis & Omaha Railway Company, having hitherto been operated as a proprietary of the latter. At the time of the merger the above bonds were assumed by the Chicago, St. Paul, Minneapolis & Omaha Railway Company.

These bonds were quoted in 1909 on a 4.42 basis (bid)

1910 4.75

1911 4.60

December, 1912 5.00

The above issue is considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CHICAGO, ST. PAUL & MINNEAPOLIS RAILWAY

First Mortgage 6s

Dated May 9, 1878

Maturing May 1, 1918

Interest payable May 1 and November 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$1,080,000
Per mile . . . 6,545

Provisions of issue: Of the \$3,000,000 authorized, \$1,080,000 are in the hands of the public as above, and the balance, \$1,920,000, have either been retired by the sinking fund, or exchanged for the Chicago, St. Paul, Minneapolis & Omaha Consolidated 6s of 1930 under a conversion clause which provides for an exchange at par.

Security: The above bonds are secured by a first mortgage on 177.6 miles of the company's road, extending from Elroy, Wis., to the east bank of the St. Croix River near Hudson. They are further secured by a first mortgage on the company's equipment and property, and a second mortgage on all land grants, not used for railroad purposes, now owned or hereafter acquired.

These bonds have been ASSUMED by the Chicago, St. Paul, Minneapolis & Omaha Railway Company. The latter's Consolidated 6s and 3½s of 1930 have been reserved in part to retire this issue.

The Chicago, St. Paul & Minneapolis Railway was chartered under the laws of Wisconsin in 1863 as the successor to the West Wisconsin Railway Company. Its line was opened for traffic December 1, 1872. Upon default of payment of its bond issue in January, 1875, the road's property was sold under foreclosure in March, 1878, when it was reorganized under its present title. It was consolidated in 1880 with the North Wisconsin Railway Company, forming the Chicago, St. Paul, Minneapolis & Omaha Railway Company.

These bonds sold in 1902 on a 2.80 to 3.20 basis

1903	2.95	3.40
1904	3.05	3.37
1905	2.70	3.10
1906	2.60	2.90
1907	3.00	4.00
1908	2.60	3.30
1909-12	under	3.00

These bonds are considered a legal investment for savings banks in New England.

NORTH WISCONSIN RAILWAY

First Mortgage 6s

Dated January 1, 1880

Maturing January 1, 1930

Interest payable January 1 and July 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$800,000

Outstanding \$616,000

Per mile . . . 3,480

Provisions of issue: Originally these bonds were authorized at \$10,000 per mile. This was limited to \$800,000 as above. Besides those outstanding, \$184,000 have been exchanged for Chicago, St. Paul, Minneapolis & Omaha Consolidated 6s of 1930 under a conversion clause which provides for an exchange at par.

Security: These bonds are secured by a first mortgage on the Company's line from Bayfield to the St. Croix River, Wis., 177.51 miles. They are further secured by a first mortgage on the equipment of the line and future acquisitions. Land grants are not included in the mortgage.

These bonds have been ASSUMED by the Chicago, St. Paul, Minneapolis & Omaha Railway Company. The latter's Consolidated 6s of 1930 have been reserved in part to retire this issue.

Trustee: Central Trust Company, New York.

The construction of the North Wisconsin Railway was commenced in 1871, and the company's line was opened to Granite Lake, Wisconsin, in 1878. It was operated by the Chicago, St. Paul & Minneapolis Railway and was merged with it, forming the Chicago, St. Paul, Minneapolis & Omaha Railway in 1880.

These bonds sold in 1902 on a 3.70 to 3.80 basis

1903	4.35
1904	4.12
1909	3.90
1910	4.25 (bid)
1911	4.22 (bid)
December, 1912	4.45 (bid)

These bonds are considered a legal investment for savings banks in New England.

ST. PAUL & SIOUX CITY RAILROAD

First Mortgage 6s

Dated July 1, 1879

Maturing April 1, 1919

Interest payable April 1 and October 1 at the Company's office, 111 Broadway, New York.

Coupon bonds of \$1,000, registrable as to principal.

Authorized \$7,000,000

Outstanding \$6,070,000

Per mile . . . 9,935

Security: These bonds are secured by a first mortgage on 610.98 miles of road, including the line from St. Paul, Minn., to Le Mars, Ia., 241.49 miles, and from Ponca via Sioux City to Omaha, Neb., 139.39 miles.

This issue has been ASSUMED by the Chicago, St. Paul, Minneapolis & Omaha Railway Company.

Equity: The above bonds are prior in lien to the Chicago, St. Paul, Minneapolis & Omaha Consolidated 6s and $3\frac{1}{2}$ s of 1930, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company, New York.

The St. Paul & Sioux City Railroad was chartered under the laws of the State of Minnesota, March 2, 1855, and again on March 4, 1864. The road was opened for traffic in November, 1870, and in 1880 it was consolidated with the Chicago, St. Paul, Minneapolis & Omaha Railway Company, at which time the latter assumed all its funded indebtedness.

These bonds sold in 1902 on a 3.57 to 3.95 basis

1903	3.77	4.17
1904	3.85	4.17
1905	3.65	3.90
1906	3.62	4.05
1907	3.80	4.87
1908	3.95	4.22
1909	3.90	4.25
1910	4.05	4.40
1911	4.20	4.55
1912	4.12	4.50

These bonds are considered a legal investment for savings banks in New England.

SUPERIOR SHORT LINE RAILWAY

First Mortgage 5s

Dated June 1, 1895

Maturing June 1, 1930

Interest payable March 1 and September 1 at New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$1,500,000

Security: These bonds are secured by a first mortgage on ten miles of main track and thirty-three miles of side track; on lands in Superior and Duluth, and on wharves, buildings, equipment, etc.

These bonds have been ASSUMED by the Chicago, St. Paul, Minneapolis & Omaha Railway Company.

Equity: This issue is prior in lien to the Consolidated 6s and 3½s of 1930.

Trustee: Union Trust Company, New York.

On August 1, 1895, the property of the Superior Short Line Railway Company was conveyed by deed to the Chicago, St. Paul, Minneapolis & Omaha Railway Company. At that time the latter assumed the above bonds.

These bonds were quoted in 1911 on a 4.37 basis (bid)
December, 1912 4.25

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

CHICAGO, ST. PAUL, MINNEAPOLIS & OMAHA RAILWAY

Debenture 5s

Dated March 1, 1912

Maturing March 1, 1930

Interest payable March 1 and September 1 at New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.
Coupon and registered bonds interchangeable.

Authorized \$15,000,000

Outstanding \$5,000,000

Provisions of issue: Of the amount authorized, \$5,000,000 are outstanding as above, and \$10,000,000 have been reserved for additions and betterments.

Security: These bonds are not secured by a mortgage, but are a direct obligation of the Chicago, St. Paul, Minneapolis & Omaha Railway Company. The indenture of this issue provides that no increased mortgage debt shall be created or issued by the company without equally securing these bonds with such additional bonds as may be issued.

Trustee: Central Trust Company, New York.

These bonds were offered to the public early in 1912 on a 4.55 basis.

These bonds are considered a legal investment for savings banks in New Hampshire.

DELAWARE AND HUDSON COMPANY

DELAWARE AND HUDSON COMPANY

HISTORY

The Delaware & Hudson Company is one of the oldest, if not the oldest, organization of its kind in the country. It was chartered by the New York Legislature, April 23, 1823, as the Delaware & Hudson Canal Company, to construct a canal from the coal fields of Pennsylvania to the Hudson River at Rondout, New York. This canal was completed and opened for service in October, 1828.

At that time a narrow gauge railroad, to serve as a feeder to the canal, was under construction. This road was known as the "Gravity Railroad," and was completed in 1829.

It was not until 1899 that the canal was sold. The "Gravity Railroad" was then broadened to standard gauge, made an ordinary steam railroad, and thrown open for passenger and freight business in 1900.

Since that time several lines have been acquired through consolidation or otherwise. The Adirondack Railway from Saratoga to North Creek, New York, 57 miles, was formally absorbed by this company on November 5, 1902, and the Schenectady & Duanesburgh Railroad on August 4, 1903. In July, 1903, the company acquired the entire capital stock of the Cooperstown & Charlotte Valley Railroad Company, and assumed the operation of its line and its leased property, the Cooperstown & Susquehanna Valley Railroad. The New York & Canada Railway Company was merged with the Delaware & Hudson Company May 23, 1908, and the Cherry Valley, Sharon & Albany Railroad Company on July 17, 1908.

Besides these consolidations, the Delaware & Hudson Company is operating the following companies' lines under lease:

Albany & Susquehanna Railroad

On February 24, 1870, the road was leased for the term of its charter at a yearly rental equivalent to interest on its funded indebtedness and dividends at the rate of 7% until July, 1902, and thereafter at the rate of 9% per annum.

In June, 1906, a suit was instituted by the Albany & Susquehanna Company against the Delaware & Hudson Company, claiming that the former should have the benefit of the saving of interest made upon the refunding, in 1876 and again in 1906, of \$3,450,000 of the old Albany & Susquehanna 7% Mortgage Bonds, the interest on which is paid by the Delaware & Hudson Company, the lessee, as part of the rental. The United States Circuit Court decided in favor of the Albany & Susquehanna Company, and this decision was affirmed by the United States Supreme Court to which the Delaware & Hudson Company took the case. Under the judgment, the latter paid \$1,350,512 as back rentals into the treasury of the Albany & Susquehanna Railroad Company in 1909.

Albany & Vermont Railroad

This railroad was leased in perpetuity to the Rensselaer & Saratoga Railroad Company. This lease was assigned to the Delaware & Hudson Company May 1, 1871. The annual rental is \$20,000.

Rensselaer & Saratoga Railroad

This road was leased in perpetuity to the Delaware & Hudson Company May 1, 1871, the lessee assuming all interest and leased obligations, and guaranteeing 8% per annum on the

capital stock. On August 10, 1906, the Glens Falls Railroad Company, whose line extends from Fort Edward to Caldwell, New York, 15 miles, was merged with this company. The Rutland & Whitehall Railroad and the Saratoga & Schenectady Railroad Companies were leased to the Rensselaer & Saratoga Railroad Company prior to its lease to the Delaware & Hudson Company.

Chateaugay & Lake Placid Railway

This company's property was leased to the Delaware & Hudson Company from July 1, 1903, to December 31, 2403, at a rental for the first five years equivalent to the surplus earnings of the property.

Northern Coal & Iron Company

This property was leased December 1, 1873, during the full term of charter or any renewal thereof, to the Delaware & Hudson Company, which owns the entire capital stock.

The Delaware & Hudson Company also leases the Rome & Clinton Railroad and the Utica, Clinton & Binghamton Railroad Companies, but they are sublet to the New York, Ontario & Western Railway Company for a term of thirty-five years from June 1, 1886.

The Delaware & Hudson Company controls, through stock ownership, the Greenwich & Johnsonville Railway Company, operating 31 miles of road in New York State; the Napierville Junction Railway Company, operating a line from St. Constant Junction, Canada, to Rouse's Point, New York, 27 miles; the Quebec, Montreal & Southern Railway, operating 192 miles in Canada; and the Schoharie Valley Railway Company.

The company also owns a half interest in the stock of the Schenectady Railway Company and the entire capital stocks of the Plattsburg Traction Company and the Troy & New England Railway Company. It has gone quite extensively into the electric traction business, owning the entire capital stock of the United Traction Company, which operated, June 30, 1911, over 90 miles of electric lines in Albany, Troy, and the vicinity. The latter company, in turn, controls the Hudson Valley Railway, which operates 118 miles of electric road from Troy, New York, northerly to Warrensburg. Besides this, the United Traction Company controls through lease several important electric traction companies, including the Cohoes Railway Company, the Troy & Lansingburgh Railroad and the Waterford & Cohoes Railroad Company.

During 1909 the Delaware & Hudson Company purchased the entire capital stock of the Fort William Henry Hotel Company. This property consisted of about twenty acres of land, a summer hotel and outbuildings, situated in the Village of Lake George, New York, at the point of interchange of traffic between the company's line and the boats of the Lake George Steamboat Company. On June 24, 1909, as it was about to open for the season, the hotel and its contents were totally destroyed by fire. Another disastrous fire occurred to the railroad's hotel property in the total destruction, May 25, 1910, of the Hotel Champlain, located at Bluff Point, New York. Both these properties were rebuilt of fireproof material and modern construction, and were open for tourist business during the summer season of 1911.

COAL DEPARTMENT

A history of the Delaware & Hudson Company would be incomplete without some mention of the valuable coal lands and mining rights which it controls. On the general balance sheet of the company for the fiscal year ending December 31, 1911, the coal owned and controlled was valued at \$16,667,697, and it is estimated that at present there are nearly 600,000,000 tons of such coal unmined.

Following is a table of the total number of tons mined by the Delaware & Hudson Company,

also the number of tons mined in the entire region, together with the net earnings (excluding taxes) resulting from the operation of the coal department, for the years 1905 to 1911 inclusive:

Year	Total tons mined		Net earnings *
	By the company	In entire region	
1905	5,695,493	61,410,201	\$2,525,957
1906	5,401,389	55,698,595	1,209,519
1907	6,623,508	67,109,393	1,173,205
1908	6,526,871	64,665,014	1,145,418
1909	6,199,042	61,969,885	507,875
1910	6,647,659	64,905,786	358,662
1911	7,280,939	69,954,299	284,219

To comply strictly with the terms of the Commodities Clause of the Hepburn Law, the company on June 1, 1909, made a contract with the Hudson Coal Company by which the latter purchases outright, at the pit-mouth, the entire output of the company's mines.

PROPERTY

For the fiscal year ending December 31, 1911, the Delaware & Hudson Railroad operated an average of 877.6 miles, of which 790.23 miles were owned or leased and 87.37 miles were operated under trackage rights.

The lines of the system extend from Wilkes-Barre, Pa., on the south, through central and northern New York, including Scheuclady, Albany, Saratoga Springs and Plattsburg, across the Canadian Line to Montreal and Quebec. There are many important branches which feed the main line of this road, notably the Honesdale, Binghamton, Rutland, Lake Placid and the Noyan Junction Branches. The bulk of the mileage of the system lies in New York State, the population of which increased from 5,998,853 in 1890, to 9,113,614 in 1910.

CAPITALIZATION

The annual report for the fiscal year ending December 31, 1911, shows the capitalization of the Delaware & Hudson Company to be approximately as follows:

Capital stock	\$42,503,000
Funded debt	58,375,000
Nominal capital	\$100,878,000
Rentals capitalized @ 5%	40,458,500
Gross capitalization	\$141,336,500
Securities owned	27,014,189
Net capitalization	\$114,322,311
Net capital per mile operated	\$130,355
Average miles operated	87.76
Net income to net capital	9.2%
Fixed charges to net income	50.0%
Margin of safety	50.0%

* The figures in this column are carried into the income account of the Delaware & Hudson Company as "Other income." Taxes and additions to property necessary to the coal department are included with the taxes and construction charges of the railroad.

The company earned a total net income equivalent to 9.2% on its net capitalization. This figure is substantially higher than that shown by either the New York Central or the Pennsylvania, but compares much less favorably with the figures of the Lackawanna and the Lehigh Valley. The Lackawanna's net capitalization for 1911 was reported at slightly under \$154,000 per mile, upon which a net income of 15.4% was earned, while the Lehigh Valley reported a net capitalization of but \$72,250 per mile, and net income to net capital of above 15%. The showing of the Delaware & Hudson is, however, very satisfactory.

A figure of especial interest to bondholders is that known as the "margin of safety." The company's surplus over charges in 1911 represented 50% of its total net income. During the decade its average was much higher, being 55% as compared with 61% for the Lackawanna and 48% for the Lehigh Valley.

CHARACTER OF TRAFFIC

The Delaware & Hudson Company is primarily a "coal road." Over 80% of the total traffic of the road is freight, and of this over 65% represents mine products. Below is a classification of the freight tonnage of the road, showing the ratios of the various classes of freight for the years 1907 to 1911 inclusive:

Products of	1911	1910	1909	1908	1907
Agriculture	5.10%	5.21%	5.76%	4.50%	4.47%
Animals	1.11	.93	1.21	1.19	1.22
Mines	65.56	64.79	62.70	69.31	68.39
Forests	4.41	4.76	5.48	4.48	4.52
Manufactures	14.05	13.89	14.22	12.54	13.57
Miscellaneous	9.77	10.42	10.63	7.98	7.83

Following are some of the more important freight statistics of the Delaware & Hudson Company for the five years ending 1911, showing the freight density and train load for the period, also the revenues from coal traffic and merchandise traffic:

Year	Freight density	Train load tons	Coal freight earnings	Merchandise freight earnings	Average rate per ton per mile
1907	2,972,525	452	\$9,081,664	\$7,533,168	\$.0066
1908	2,525,548	398	9,106,819	6,162,180	.0071
1909	2,834,815	415	8,311,478	7,691,617	.0067
1910	2,913,213	432	8,724,580	8,052,705	.0068
1911	2,974,404	467	9,847,194	8,027,413	.0068

It will be seen that with the falling off in freight density there was a corresponding decline in train load in 1908, but the increase in the average rate per ton per mile helped to offset this loss. Since 1908, however, there has been a marked increase in freight density and average train load. In the face of somewhat lower rates the volume of earnings also has shown an increase.

The average freight density for the period, also the average train load and freight rate per ton, are given below for the Delaware & Hudson, Lackawanna and the Lehigh Valley:

Five years	Average freight density	Average train load tons	Average rate per ton per mile
D. & H.	2,844,101	433	\$.0068
Lackawanna	4,235,357	529	.0077
Lehigh Valley	3,271,700	535	.0064

Of the total gross business of the railroad in 1911, 14% represented passenger traffic. In 1907 the ratio was the same. The small increases in passenger density from year to year have been very nearly offset in earnings by a steady decline in the average rate per passenger, as is shown by the following table:

Year	Passenger density	Passenger earnings	Average rate per passenger per mile
1907	162,940	\$2,945,408	\$.0214
1908	150,277	2,693,672	.0212
1909	159,991	2,834,628	.0210
1910	167,210	2,910,026	.0206
1911	165,730	2,967,129	.0204

EARNINGS

The following table, compiled from the annual reports of the company for the five years ending 1911, shows the gross and net earnings based on the average miles operated:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	845	\$20,175,793	\$23,877	\$8,046,713	\$9,524
1908	845	18,500,731	21,894	7,689,010	9,099
1909	843	19,525,859	23,162	8,067,380	9,570
1910	843	20,431,800	24,237	8,233,513	9,768
1911	877	21,421,816	24,426	8,663,657	9,880

The gross earnings of 1907 were the largest that the company had ever reported. Since that time they have remained very steady. The 1911 gross earnings were 6.1% greater than those reported in 1907. Net earnings during the period proved more stable, being 7.6% larger in 1911 than in 1907, which was the high record up to that time.

During the business depression in 1908 gross earnings were reduced nearly \$1,700,000. At the same time operating expenses were cut \$900,000, leaving a net decrease for the year of nearly \$800,000. In 1909 gross earnings increased slightly over \$1,000,000 and operating expenses \$640,000, resulting in a gain in net earnings of nearly \$380,000. In 1910 gross earnings reached a somewhat higher level than those of 1907, but this gain was very nearly offset by increases in operating expenses, so that the net gain was but \$160,000.

The saving feature of the earnings record of 1911 was the gain, nearly \$1,125,000, in revenue from coal traffic. While net earnings showed a gain of but \$430,000, owing to a decline in earnings from merchandise freight and miscellaneous sources of \$215,000, and an increase in operating expenses of nearly \$560,000, the fact remains that the earnings of 1911, both gross and net, were the best the company had ever known.

MAINTENANCE

The Delaware & Hudson Company is liberal in its maintenance charges. During the five years ending 1911, the company spent for upkeep an average of \$4,861 per mile of road operated. Tabulated below are the amounts spent for maintenance in the years 1907 to 1911 inclusive:

Year	Maintenance of Way Equipment		Total maintenance	Per mile
1907	\$1,836,871	\$2,336,273	\$4,173,144	\$4,938
1908	1,417,318	2,219,543	3,636,861	4,304
1909	1,334,546	2,598,566	3,933,112	4,666
1910	1,557,912	2,842,069	4,399,981	5,219
1911	1,488,756	3,060,739	4,549,495	5,187

A comparison of the Delaware & Hudson with the Lackawanna, and the Lehigh Valley, together with the average traffic densities of the three roads in question, is given below:

Five years	Average traffic density	Average maintenance per mile
D. & H.	3,005,330	\$4,861
Lackawanna	4,848,890	10,950
Lehigh Valley	3,441,794	6,527

From the table above, it would seem that the Lackawanna, with an average traffic density 61% greater than that of the Delaware & Hudson, was spending 125% more than the latter during the period in question. On the other hand, the Lehigh Valley, with a traffic density 14% greater, was spending 34% more. This places the Delaware & Hudson Company in a slightly unfavorable relative position, but the Hudson's charges to maintenance are probably more than adequate.

ADDITIONS AND BETTERMENTS

The Delaware & Hudson Company reports in its balance sheet of December 31, 1911, \$6,751,837 set aside from earnings for additions and betterments to property subsequent to June 30, 1907.

The following additions and betterments were made during the four years indicated:

Year	Additions and betterments to	
	Coal property	Railroad property
1908	\$650,283	\$1,179,494
1909	726,313	720,459
1910	766,673	697,746
1911	823,654	2,681,387
	<hr/> \$2,966,923	<hr/> \$5,279,088
		<hr/> 2,966,923

Total additions and betterments \$8,246,011

DIVIDENDS

The company has a splendid dividend record. From the date of its organization, in 1826, to December 31, 1911, this company has paid a total of 206 cash dividends, aggregating 641%, or \$103,033,206. Following is the dividend record of the company from 1881 up to the present time:

Year	Rate
1881	4 $\frac{1}{2}$ %
1882-4	7
1885	6
1886-7	5
1888	6
1889-96	7
1897-1900	5
1901-6	7
1907-12	9

Besides the above-mentioned cash dividends, the company has paid the following dividends in the form of stock:

Year	Rate	Amount
1845	25%	\$480,500
1856	4	288,000
1864	16 $\frac{2}{3}$	1,250,000
1865	14 $\frac{2}{7}$	1,250,000
1868	20	2,000,000
1890	5 $\frac{3}{5}$	1,375,000

The Profit and Loss Account of the Delaware & Hudson Company, appearing on the balance sheet of December 31, 1911, was \$13,486,597, or 31.7% of the outstanding capital stock.

STATISTICS

Following are the capitalization, earnings, and traffic statistics of the Delaware & Hudson Company, based on the average miles operated, for the years 1905 to 1911 inclusive:

THE DELAWARE & HUDSON COMPANY

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1905	\$48,564	\$10,439	\$63,255	\$122,261	\$15,055	\$107,206	843	303
1906	48,623	26,631	60,382	135,636	28,486	107,150	843	301
1907	50,177	37,961	55,074	143,212	38,110	105,102	845	330
1908	50,177	53,297	44,914	148,388	27,649	120,739	845	344
1909	50,415	61,779	49,258	161,452	27,982	133,470	843	344
1910	50,417	61,192	48,518	160,127	28,432	131,695	843	344
1911	48,464	66,562	46,132	161,158	30,803	130,355	877	368

Fiscal year	Gross operating revenue	Maintenance Way	Equipment	Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
1905	\$19,435	\$1,731	\$2,236	\$8,113	\$7,355	\$2,996	\$10,351	\$3,996	\$6,355
1906	20,225	1,647	2,392	8,618	7,568	3,102	10,670	4,846	5,824
1907	23,877	2,173	2,765	9,415	9,524	3,127	12,651	5,415	7,236
1908	21,894	1,677	2,627	8,491	9,099	3,136	12,235	6,017	6,218
1909	23,162	1,583	3,083	8,926	9,570	2,751	12,321	6,165	6,156
1910	24,237	1,848	3,371	9,250	9,768	2,884	12,652	6,338	6,324
1911	24,426	1,697	3,480	9,359	9,880	2,134	12,014	6,041	5,973

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1905	\$3,404	\$1,219	\$1,732	62.1%	20.3%	41.8%	20.5%	15.8%	9.6%	13.08%
1906	3,401	172	2,251	62.5	19.9	42.6	23.9	14.8	9.9	11.97
1907	4,514	....	2,722	60.0	20.6	39.4	22.7	16.6	12.0	15.25
1908	4,634	....	1,584	58.4	19.7	38.7	27.4	14.5	10.1	12.39
1909	4,538	....	1,618	58.4	19.9	38.5	26.2	14.3	9.2	12.22
1910	4,538	....	1,786	59.6	21.5	38.1	26.1	15.1	9.6	12.54
1911	4,362	....	1,611	59.5	21.2	38.3	24.7	15.1	9.2	12.32

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight & company cars
		Way	Equipment			Per passenger	Per ton				
1905	\$2.09	\$.186	\$.240	\$.818	\$.846	\$.0217	\$.0062	2,500,234	455	80%	13,879
1906	2.11	.172	.249	.850	.839	.0214	.0063	2,550,934	460	80	14,997
1907	2.33	.218	.273	.864	.975	.0214	.0066	2,972,525	452	82	22,939
1908	2.27	.174	.272	.881	.943	.0212	.0071	2,525,548	398	82	22,775
1909	2.31	.158	.307	.891	.954	.0210	.0067	2,834,815	415	82	22,449
1910	2.43	.185	.337	.928	.980	.0206	.0068	2,913,213	432	82	22,069
1911	2.57	.178	.367	.985	1.040	.0204	.0068	2,974,404	467	83	21,348

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Delaware & Hudson System, together with the bases upon which they have sold during the decade ending December 31, 1912:

DELAWARE & HUDSON CANAL COMPANY

Pennsylvania Division First Mortgage Currency 7s

Dated September 1, 1877

Maturing September 1, 1917

Interest payable March 1 and September 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000.

Five coupon bonds exchangeable for a \$5,000 registered bond.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . . 102,041

Security: These bonds are a direct obligation of the Delaware & Hudson Company, and are secured by a first mortgage on 48.75 miles of the company's road, including the lines from Carbondale to Scranton, Pa., 17 miles, and Lookout Junction to Honesdale, Pa., 28 miles. They are further secured by a mortgage upon the coal lands and other property of the company in the counties of Luzerne, Wayne and Susquehanna, Pa.

Equity: The above bonds are prior in lien to the Delaware & Hudson First & Refunding 4s of 1943, a sufficient number of which have been reserved to retire this issue.

Trustee: Union Trust Company, New York.

On April 28, 1899, the name of the Delaware & Hudson Canal Company was changed to the Delaware & Hudson Company.

These bonds sold in 1902 on a 3.25 to 3.50 basis

1903	3.60	3.70
1904	3.40	3.70
1905	3.45	3.50
1906	3.37	
1908	3.90	4.10
1909	3.80	4.25
1910	3.60	3.75
1911	3.95	4.05
December, 1912	4.62	(bid)

These bonds are considered a legal investment for savings banks in New England.

ADIRONDACK RAILWAY

First Mortgage Gold 4½s

Dated March 1, 1892

Maturing March 1, 1942

Interest payable March 1 and September 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$2,000,000

Outstanding \$1,000,000
Per mile . . . 17,540

Provisions of issue: The limit of this issue has been placed at the amount at present outstanding, by the terms of the Delaware & Hudson First & Refunding Mortgage 4s of 1943. It is further stipulated that these bonds shall not be extended at maturity.

Security: The above bonds are secured by a first mortgage on the company's line from Saratoga to North Creek, N. Y., 57 miles. They are further secured by a mortgage on the company's lands, buildings, and equipment and future acquisitions.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware & Hudson Canal Company by endorsement.

Equity: The above bonds are prior in lien to the Delaware & Hudson First & Refunding 4s of 1943, a sufficient number of which have been reserved to retire this issue.

Trustee: United States Trust Company, New York.

The Adirondack Railway Company was incorporated under the laws of the State of New York on July 7, 1882, as the successor to the Adirondack Company whose property was sold under foreclosure, September 28, 1881. In 1889 the Delaware & Hudson Canal Company purchased a controlling interest in this company and it was formally merged into the Delaware & Hudson Company, November 5, 1902.

These bonds were quoted in 1909 on a 4.25 basis (bid)

1910	4.50
1911	4.35
December, 1912	4.50

These bonds are considered a legal investment for savings banks in New England.

SCHENECTADY & DUANESBURGH RAILROAD

First Mortgage 6s

Dated September 1, 1874

Maturing September 1, 1924

Interest payable March 1 and September 1, at 32 Nassau Street, New York.

Coupon bonds of \$100, \$500 and \$1,000.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 35,714

Security: The above bonds are secured by a first mortgage on the company's line from Schenectady to Duanesburgh, New York, 13.79 miles. They are further secured by a mortgage on the company's lands, buildings, equipment, etc.

These bonds are GUARANTEED as to INTEREST by the Delaware & Hudson Company by endorsement.

Equity: The above bonds are prior in lien to the Delaware & Hudson First & Refunding 4s of 1943, a sufficient number of which have been reserved to retire this issue.

The Schenectady & Duanesburgh Railroad was incorporated in July, 1873, under the laws of the State of New York, as the result of a reorganization of the Schenectady & Susquehanna Railroad. It was leased to the Delaware & Hudson Canal Company for the interest on its bonds, which amounted to \$30,000 annually. On August 4, 1903, it was merged into the Delaware & Hudson Company.

These bonds were quoted in 1909 on a 4.45 basis (bid)

1910 4.55

1911 4.65

December, 1912 4.45

These bonds are considered a legal investment for savings banks in New England.

DELAWARE & HUDSON COMPANY

First and Refunding Mortgage Gold 4s

Dated May 1, 1908

Maturing May 1, 1943

Interest payable May 1 and November 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and multiples.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$27,704,000

Per mile . . . 87,120

Provisions of issue: Besides the amount outstanding as above, \$6,500,000 of these bonds have been reserved to retire prior liens, and the balance, \$15,796,000, has been reserved for general corporate purposes, such as construction, acquisition, improvements, etc.

Security: The above bonds are a direct obligation of the company, and are secured by a direct mortgage upon 317.8 miles of road, leasehold interests in 435.75 miles, and trackage rights in 56.6 miles. They are also secured by a direct lien on all the lands, real estate, and property of the company, together with equipment now owned or hereafter acquired.

These bonds are secured by a first mortgage on 198.29 miles of road, including the line from Whitehall to Rouse's Point, N. Y., 113 miles. They are secured by a second mortgage on 119.5 miles of road covered by the first lien of the Delaware & Hudson Canal Company 7s of 1917, the Adirondack 4½s of 1942 and the Schenectady & Duaneburgh 6s of 1924

They are also a first lien upon leasehold interests in 435.75 miles, including the lines of the Albany & Susquehanna Railroad from Albany to Binghamton, N. Y., 143 miles; the line of the Albany & Vermont Railroad from Albany to Waterford Junction, N. Y., 12.18 miles; and the mileage of the Chateaugay & Lake Placid Railway, Plattsburg & Dannemora Railroad, Rensselaer & Saratoga Railroad, etc., and trackage rights over the Erie Railroad totalling 56.6 miles.

Redemption: These bonds are redeemable as a whole at 107½ and interest on May 1, 1918, or any interest date thereafter, upon thirteen weeks' notice.

Sinking fund: The company has provided a sinking fund for this issue whereby the trustee is paid annually, beginning June 1, 1909, a sum equal to 1% of the bonds outstanding, to be used by the trustee at the direction of the company, either for the purchase of bonds issued or for construction, additions and betterments to the property mortgaged hereunder.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1908 on a 3.87 to 3.95 basis

1909	3.85	4.00
1910	3.97	4.12
1911	3.97	4.12
1912	4.02	4.15

These bonds are considered a legal investment for savings banks in New England.

DELAWARE & HUDSON COMPANY

Equipment Debenture Gold 4s

Dated January 1, 1900

Maturing \$200,000 annually
January 1, 1902, to 1913
\$100,000 January 1, 1914

Interest payable January 1 and July 1 at 32 Nassau Street, New York.

Registered bonds of \$10,000.

Authorized \$2,500,000

Outstanding \$500,000

\$2,000,000 of these bonds have been retired up to the present time.

Security: The above bonds are a direct obligation of the company, but are not secured by a mortgage, although issued for the purchase of 1,000 gondola cars, 1,000 box cars, and 42 locomotives.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

DELAWARE & HUDSON COMPANY

Convertible Ten-Year Debenture Gold 4s

Dated June 15, 1906

Maturing June 15, 1916

Interest payable June 15 and December 15 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$14,000,000

Outstanding \$13,973,000

\$27,000 of these bonds have been converted into stock of the company.

Security: The above bonds are a direct obligation of the company, but are not secured by a mortgage. \$10,000,000 of these bonds were issued to purchase the entire capital stock of the Union Traction Company of Albany, N. Y., and one-half interest in the Schenectady Railway. \$2,400,000 of the proceeds of this issue were used to purchase new equipment, and \$1,600,000 were spent in constructing the cut-off around Wilkes-Barre, Pa.

Convertibility: The privilege of exchanging a \$1,000 bond of this issue for five shares (par value \$100) of the capital stock of the Delaware & Hudson Company, at par, ends June 15, 1912.

Registrar: National Bank of Commerce, New York.

These bonds sold in 1906 on a 2.50 to 3.30 basis

1907	2.75	5.75
1908	3.27	4.85
1909	2.75	4.00
1910	3.62	4.65
1911	4.00	4.80
1912	4.30	4.90

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

DELAWARE & HUDSON COMPANY

First Lien Equipment 4½s

Dated June 1, 1907

Maturing July 1, 1922

Interest payable January 1 and July 1 at the Company's office, 32 Nassau St., New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$10,000,000

Outstanding \$9,698,000

\$302,000 of these bonds have been retired by the sinking fund.

Security: These bonds are a direct obligation of the company. They are secured by a first mortgage upon equipment, including composite hopper coal cars, steel underframe platform cars and steel underframe box cars, certified to have cost over \$11,000,000.

The Delaware & Hudson Company agrees to keep the equipment in complete repair; to renew and replace worn out, lost or destroyed equipment; and to keep it insured against fire loss or damage, or other loss, to an amount equal to 80% of the value. The equipment remains the property of the United States Mortgage & Trust Company until these bonds are paid.

Sinking fund: The company has provided a sinking fund for this issue, whereby the trustee is paid annually, beginning July 1, 1908, the sum of \$650,000 to be used at the direction of the company by the trustee either to purchase these bonds for cancellation or to purchase additional equipment to become subject to this indenture, or to purchase bonds legal for New York State Life Insurance Companies.

Up to December 31, 1911, the total receipts of this fund amounted to \$2,658,187, made up of annual payments amounting to \$2,600,000 and interest on cash balance and investments amounting to \$58,187. This amount has been disbursed as follows: 47 locomotives were acquired at the cost of \$1,153,985; 302 Delaware & Hudson First Lien Equipment bonds have been purchased and retired, including accrued interest, at the cost of \$308,067, and the balance, in the hands of the trustee, amounted to \$1,196,135.

Trustee: United States Mortgage & Trust Company, New York.

These bonds in July, 1912, were quoted on a 4.30 basis (bid)

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ALBANY & SUSQUEHANNA RAILROAD

First Mortgage 3¹/₂s

Dated April 1, 1906

Maturing April 1, 1946

Interest payable April 1 and October 1 at the Company's office, 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$3,000.

Five coupon bonds are exchangeable for one registered bond.

Authorized \$10,000,000

Outstanding \$6,444,000

Per mile . . . 45,060

Provisions of issue: These bonds were issued to retire \$10,000,000 Consolidated 6s and 7s of 1906. In addition to the \$6,444,000 in the hands of the public, mentioned above, \$3,556,000 have been converted into Delaware & Hudson Company stock and are held in the latter's treasury.

Convertibility: The above bonds are convertible into Delaware & Hudson Company stock at the rate of \$500 in stock for each \$1,000 bond. This privilege terminates April 1, 1916.

Security: These bonds are a direct obligation of the company, secured by a first mortgage on 142.59 miles of the company's line from Albany to Binghamton, N. Y. They are also secured by a first mortgage on equipment, other property, and future acquisitions.

They are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware & Hudson Company by endorsement.

Trustee: United States Mortgage & Trust Company, New York.

The Albany & Susquehanna Railroad was chartered under the laws of the State of New York, April 19, 1851. The road was opened for traffic January 14, 1869. On February 24, 1870, it was leased in perpetuity to the Delaware & Hudson Company at an annual rental equivalent to interest on bonds, dividends at the rate of 7% until January, 1903, and thereafter at the rate of 9%.

These bonds sold in 1907 on a 3.05 to 4.35 basis

1908	3.50	3.95
1909	3.15	3.65
1910	3.62	4.00
1911	3.80	4.05
1912	3.87	4.15

These bonds are considered a legal investment for savings banks in New England.

SARANAC & LAKE PLACID RAILROAD

First Mortgage 5s

Dated May 1, 1893

Maturing November 1, 1913

Interest payable May 1 and November 1 at the Company's office, 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$120,000

Outstanding \$120,000

Per mile . . . 12,000

Security: These bonds are secured by a first mortgage on the company's line from Saranac to Lake Placid, N. Y., a distance of 9.98 miles. They are also secured by a first mortgage on equipment and other property now owned or hereafter acquired.

Trustee: Central Trust Company, New York.

The Saranac & Lake Placid Railroad was chartered under the laws of the State of New York on July 12, 1890. The road was opened July 15, 1894. In 1903, this road, together with the Chateaugay Railroad and the Chateaugay Railway consolidated under the name of the Chateaugay & Lake Placid Railway Company, the latter being leased for 500 years to the Delaware & Hudson Company at a rental for the first five years equivalent to the surplus earnings of the company.

These bonds are considered a legal investment for savings banks in Maine.

RENSELAER & SARATOGA RAILROAD

First Mortgage 7s

Dated May 1, 1871

Maturing May 1, 1921

Interest payable May 1 and November 1 at the Company's office, 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile . . . 14,815

Security: These bonds are a direct obligation of the company. They are secured by a first mortgage on the company's line for a distance of 135.28 miles; also on buildings, equipment, etc.

This issue is GUARANTEED as to INTEREST by the Delaware & Hudson Canal Company, by endorsement.

The Rensselaer & Saratoga Railroad was chartered under the laws of the State of New York on April 14, 1832, and was commercially opened on March 19, 1836. The company, including leased and merged lines, was leased in perpetuity to the Delaware & Hudson Canal Company on May 1, 1871, the latter company assuming all obligations and guaranteeing 8% on the capital stock.

These bonds sold in 1902 on a 3.30 to 3.75 basis

1904	3.37	3.65
1905	3.50	
1906	4.00	
1908	4.10	4.15
1909	4.00	4.05
1910	3.65	4.30
1911	4.00	4.27
1912	4.12	

These bonds are considered a legal investment for savings banks in Maine, Connecticut and Rhode Island.

COOPERSTOWN & SUSQUEHANNA VALLEY RAILROAD

First Mortgage 5s

Dated May 1, 1888

Maturing May 1, 1918

Interest payable May 1 and November 1 at the Company's office, 32 Nassau Street, New York.

Coupon bonds of \$100, \$200, \$300 and \$500.

Authorized \$200,000

Outstanding \$200,000

Per mile . . . 10,526

Security: These bonds are secured by a first mortgage on the company's line from Cooperstown to Charlottes Crossing, N. Y., 19.48 miles. They are also secured by a first mortgage on equipment and future acquisitions.

The bonds are GUARANTEED as to INTEREST by the Cooperstown & Charlotte Valley Railroad Company.

The Cooperstown & Susquehanna Valley Railroad was chartered under the laws of the State of New York on February 25, 1865, and was opened for traffic July 14, 1869. On April 30, 1888, the road was leased for 99 years to the Cooperstown & Charlotte Valley Railroad, whose entire capital stock is owned by the Delaware & Hudson Company.

These bonds are considered a legal investment for savings banks in Maine.

GREENWICH & JOHNSONVILLE RAILWAY

First Mortgage 4s

Dated January 1, 1904

Maturing January 1, 1924

Interest payable January 1 and July 1 at Standard Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$400,000
Per mile . . . 1,265

Provisions of issue: Of the \$500,000 authorized, \$100,000 are reserved for improvements, betterments and equipment, and \$400,000 are outstanding as above.

Security: These bonds are a direct obligation of the company. They are secured by a first mortgage on 31.62 miles of the company's line, and upon lands, buildings and future acquisitions.

Trustee: Standard Trust Company, New York.

The Greenwich & Johnsonville Railway was chartered under the laws of the State of New York, in 1866, as the Union Village & Johnsonville Railway Company. Its name was changed to that of the Greenwich & Johnsonville Railway in 1879. Control of the company was acquired by the Delaware & Hudson Company in 1906. The latter owns the entire \$225,000 capital stock outstanding at the present time.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY

DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY

HISTORY

The Delaware, Lackawanna & Western Railroad Company was incorporated by special act of the Legislature of Pennsylvania, approved April 7, 1832, as the Ligetts Gap Railroad. The road was actually chartered March 18, 1849, and by special act the name was changed on April 14, 1851, to that of the Lackawanna & Western Railroad Company.

April 30, 1853, the Lackawanna & Western was consolidated with the Delaware & Cobbs Gap Railroad (chartered December 4, 1850), and the consolidated roads took the name of the Delaware, Lackawanna & Western Railroad Company. The company's line from Scranton to Great Bend was opened for traffic October 20, 1851, and from Scranton to the Delaware River, May 27, 1856.

Since that time the company has taken over many important subsidiaries by lease and through control of their capital stocks. In 1857 the Warren Railroad, whose line extended from the Delaware River to a junction with the Central Railroad of New Jersey, was leased, the latter line being used up to 1875 as an outlet to the Hudson River. In 1868 the Morris & Essex Railroad was leased, and the Oswego & Syracuse Railroad in the following year. Control was obtained also of the Syracuse, Binghamton & New York Railroad through the purchase of the major part of its stock.

In 1871 an important extension was built, known as the Valley Railroad, to connect the Syracuse line at Binghamton with the main line at Great Bend, and in 1873 the property of the Lackawanna & Bloomsburg Railroad was taken over. In September, 1881, the company secured control of the Sussex Railroad of New Jersey through the purchase of a majority of its stock. The New York, Lackawanna & Western Railway was leased in October, 1882, and was the finishing link in the line to Buffalo. During that year, also, the Passaic & Delaware Railroad of New Jersey was absorbed. In 1889 two important operating contracts were entered into, one with the Morris & Essex Extension Railroad, giving the Delaware, Lackawanna & Western an entrance into the city of Paterson, New Jersey, and the other with the Passaic & Delaware Extension Railroad, giving operating rights over a small but important line extending from Bernardsville to Gladstone, New Jersey.

No further additions were made until 1903, when the company acquired the entire capital stock of the New York & Hoboken Ferry Company, operating ferries on the Hudson River between New York and Hoboken, New Jersey. In 1905 the Lackawanna purchased practically all the outstanding stock of the Harlem Transfer Company, securing thereby the control and use of valuable terminal properties on the Harlem River. In the following year the properties of the Brooklyn Warehouse & Dry Docks Company and the Brooklyn Dock & Terminal Company, which owned two dry docks, four slips, float bridges, warehouses, two miles of railroad track, etc., were secured.

Early in 1908 a company known as the Lackawanna Railroad Company of New Jersey was organized under the laws of that state for the purpose of building a cut-off line between Slateford, Pennsylvania, and Port Morris, New Jersey. The reason for this expensive piece of construction was to enable the railroad to haul a large proportion of its traffic over a low-grade short cut at an actual saving of eleven miles. The line was completed and put into service on December 24, 1911, and has been in continuous use since that time. The Lackawanna Railroad has been leased in perpetuity to the Delaware, Lackawanna & Western Railroad Company at an annual rental equal to 4% on the capital stock outstanding. The capital stock of the company, which the latter held in its treasury in return for moneys advanced to pay for its construction, was distributed *pro rata* among the stock-

holders of the Delaware, Lackawanna & Western as a dividend of 35% on their holdings. The total cost of this line, to December 31, 1911, was \$11,065,511.

On July 1, 1909, the Bangor & Portland Railway and the Hanover & Newport Railroad Companies were merged with the Delaware, Lackawanna & Western Railroad. The Bangor & Portland Railroad Company was the result of a consolidation, July 1, 1899, of a company of that name with the Nazareth & Lehigh Railway Company, and its capital stock had been controlled since then by the Lackawanna. The Hanover & Newport Railroad was chartered in 1894, and its road was completed to two collieries belonging to the Lackawanna. Its only earnings were from rents for the use of its tracks by that company.

COAL DEPARTMENT

The Lackawanna is one of the largest owners of anthracite coal lands in America. It has been estimated that the total unmined coal of this company approximates 400,000,000 tons. Based on the company's reports, the tonnage sales and profits of its coal department for the five years ending 1911, are given below:

Year	Tons sold	Total sales and earnings	Net profits of coal department
1907	10,384,191	\$40,296,289	\$1,224,921
1908	9,610,127	38,185,417	4,166,792
1909	10,565,906	35,535,813	4,628,771
1910	9,916,837	21,708,054	3,381,262
1911	9,891,111	22,506,214	3,490,085

The decrease in total sales and earnings in 1909 and 1910 was due to the fact that the railroad, on August 1, 1909, discontinued the sales of its coal department to conform with the decision rendered by the United States Supreme Court that railroad companies cannot lawfully transport in interstate commerce coal owned by themselves. A coal-selling company known as the Delaware, Lackawanna & Western Coal Company was organized. A contract was entered into with the new Coal Company, whereby the railroad agreed to sell its coal on loaded cars at the mines, at what is known as the 65% basis of tidewater prices. It also agreed to sell and turn over all stocks of coal along its lines and on western docks, and to lease its trestles to the Coal Company.

During the months of April and May, 1912, coal-mining operations were entirely suspended pending rearrangement of the basis of wages for the miners, which had been fixed previously by the Anthracite Strike Commission of 1902. As a result of this suspension, the Lackawanna's operating income probably will show a loss for the fiscal year of 1912. Mining operations were begun again in June, but the concessions granted will undoubtedly increase the cost of production, which will probably mean a substantial increase in the price charged the consumer.

PROPERTY

The Lackawanna operated at the close of the fiscal year ending December 31, 1911, a total of 985.26 miles. Of this amount, 239.72 miles were owned in fee, 603.41 miles were those of leased lines, and 142.13 miles represented the mileage of controlled roads. The average miles operated by the company, used as a basis in this report, were 815.69.

The entire mileage of the road lies in the States of Pennsylvania, New Jersey and New York, whose population in 1900 was 15,454,708 and in 1910 was 19,315,557. In Pennsylvania 246.1 miles were being operated, in New Jersey 202.97 miles and in New York 394.06 miles.

The main line extends westerly from New York, through the anthracite coal belt to Buffalo,

with three important branches: two from Binghamton to Oswego, on Lake Erie, and Utica; the other from Scranton, into the coal fields of Pennsylvania, to Northumberland.

CAPITALIZATION

The capitalization of the Delaware, Lackawanna & Western Railroad on December 31, 1911, was approximately as follows:

Capital stock (excluding premiums)	\$30,277,000
Funded debt	320,000
Nominal capital	\$30,597,000
Rentals capitalized @ 5%	104,097,780
Gross capitalization	\$134,694,780
Securities owned	9,580,963
Net capitalization	\$125,113,817
Net capital per mile operated	\$153,512
Average miles operated	815.69
Net income to net capital	15.4%
Fixed charges to net income	38.6%
Margin of safety	61.4%

As will be seen by the foregoing, the nominal capital of the Lackawanna is comparatively low. Especially noticeable is the fact that the company has no mortgage debt of its own, the \$320,000 above representing the mortgage bonds outstanding of the Bangor & Portland Railway Company which were assumed by the Lackawanna at the time of the consolidation in 1909.

Two-thirds of the mileage of the system is leased at certain fixed rentals. For the use of 603 miles the company paid rentals amounting to \$5,204,889. This figure, capitalized at 5%, gives us an approximate capitalization of these leased lines of over \$104,000,000, a figure equal to 77% of the total gross capitalization.

Of the securities which the company holds in its treasury, \$7,374,000 are stocks and bonds of leased roads from which the company derives an average income of 5.7%.

The net capital of the Lackawanna per mile operated averaged \$146,656 during the five years ending 1911, as compared with the Reading's average of \$168,000 and that of the Lehigh Valley, \$68,200. The total net income, in comparison with the net capitalization of the road, places the Lackawanna almost in a class by itself. Its net income for the five years was over 18% on the above net capital, while the Reading earned but 13.5% on a slightly higher capitalization. The Lehigh Valley's average net income to net capital for the period was but 15%.

The most remarkable thing about these figures is the margin of safety for the interest on underlying securities of the company which in 1911 was 61%; that is, the surplus available for dividends, after all fixed charges, was 61% of the total net income.

During the five years this figure averaged 66% for the Lackawanna. The Reading's average was 54%, while that of the Lehigh Valley was 52%.

CHARACTER OF TRAFFIC

The Lackawanna is primarily a "coal road," as is attested by the fact that during 1911 nearly 75% of the company's business was freight, of which 60% was represented by coal and coal products. Based on earnings 39% of the total business of the company was embodied in this one traffic item.

Following is a table showing the ratios of freight tonnage for the five years ending 1911:

Products of	1911	1910	1909	1908	1907
Agriculture	8.76%	7.75%	7.43%	6.98%	8.54%
Animals	1.68	1.50	1.61	2.01	2.23
Mines	60.22	60.00	61.91	64.98	60.15
Forests	2.92	2.90	3.10	1.90	2.32
Manufactures	13.42	14.37	13.15	9.24	9.20
Miscellaneous	13.00	13.48	12.80	14.89	17.56

Of the total tonnage of the company during the period in question nearly half is represented by anthracite coal carried:

	1911	1910	1909	1908	1907
Total tonnage	21,732,254	21,750,510	20,391,134	18,199,155	21,082,119
Anthracite	9,928,149	9,991,557	10,118,134	9,971,061	10,556,558

To show the operating efficiency of the Lackawanna, and the effect it has had upon the company's earnings, the following statistics are given for the five years ending December 31, 1911:

Year	Freight density	Train load tons	Earnings		Rate	
			Coal	Merchandise	Coal	Merchandise
1907	4,529,671	490	\$14,361,416	\$12,235,807	\$.0085	\$.0068
1908	4,001,377	484	14,558,702	9,850,008	.0086	.0071
1909	4,057,112	520	14,464,221	11,393,859	.0086	.0070
1910	4,256,591	567	14,067,777	12,443,473	.0084	.0069
1911	4,332,035	583	14,096,725	12,462,679	.0083	.0067

As will be seen by the foregoing, there is a general decline in every item except one. The number of tons carried one mile per mile of road (freight density), as compared with the 1907 figure, declined 4.6% in 1911, showing a comparatively steady tonnage figure. The number of revenue tons per freight train, however, increased markedly during the period in question, showing a gain of 19% in 1911 over the figure of 1907. Coal earnings were somewhat higher each year than earnings from the transportation of merchandise, due to a more profitable rate. Coal earnings show a net decline during the period of nearly 2%, and earnings from merchandise freight a gain of nearly 2%. There was in each case a steady decline in the rate per ton.

The Lackawanna, while doing a heavy coal business, has also developed during the decade a good-sized miscellaneous business and a large passenger traffic. Following are some of the more salient passenger statistics of the Lackawanna for the years 1907 to 1911 inclusive:

Year	Passenger density	Passenger earnings	Rate per passenger per mile
1907	611,446	\$6,757,596	\$.0143
1908	609,386	6,449,032	.0137
1909	604,611	6,825,430	.0138
1910	615,436	7,290,943	.0145
1911	626,800	7,696,800	.0150

The number of passengers carried one mile per mile of road operated was 2.5% greater in 1911 than in 1907. Passenger earnings increased 19.3% in 1911 over the low figures of the period, and the passenger rate nearly 10%. The passenger business of the company represents about 20% of the total and is steadily growing in importance.

EARNINGS

Few roads in the country earn as much per mile as the Delaware, Lackawanna & Western. Following are the gross and net earnings also figured on a per mile basis for the years 1907 to 1911 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	770	\$37,264,473	\$48,395	\$15,724,734	\$20,421
1908	770	32,898,495	42,725	14,274,841	18,538
1909	815	34,815,011	42,718	16,069,501	19,718
1910	815	36,052,932	44,236	15,429,484	18,932
1911	815	36,586,563	44,890	14,267,911	17,506

The company's earnings in 1907 were the largest of any year in its history, before or since that time. In 1908, however, all sources of revenue except coal showed a marked decrease. A curtailment of expense took place amounting to nearly \$3,000,000, and the company's operating ratio fell from 57.8% to 56.6%.

In 1909 came a revival of general business which was reflected in a 5.8% increase in gross earnings. Operating expenses were held to the level of the 1908 figures, bringing about a gain in net earnings of 12.5%. Still better earnings were shown during the fiscal year of 1910. The 3½% gain in gross earnings was more than offset by an increase in operating expense of 10%. The bulk of this increase was due to nearly \$750,000 additional maintenance charges, and over \$1,000,000 in transportation costs. The operating ratio increased from 53.8% in 1909 to 57.2% in 1910, and the ratio of transportation costs to gross earnings increased from 30.5% to 32.7%.

In 1911 gross earnings were but slightly over \$500,000 greater than those of 1910, whereas operating expenses increased nearly \$1,700,000, resulting in a loss in net of 8%, and the operating ratio for the first time in years went above 60%. In fact, comparing the period as a whole, we find gross earnings in 1911 to be nearly 2% less than the high figures of 1907, and 1911 net earnings 10.2% less than those of 1907. The company's earnings, however, are extremely high, and, as will be seen by a glance at the figures above, are generally very stable. It is true, however, that the prosperity of the road depends very largely upon the ability of the management to maintain satisfactory relations with its operatives, both railroad and mining, and it is easy to see that any prolonged labor difficulty, such as the coal strike of 1902, would affect the company's earnings profoundly.

MAINTENANCE

In the case of the Lackawanna large earnings per mile have meant large maintenance charges per mile. Below are given the amounts spent for upkeep by the company during the past five years:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$4,974,887	\$3,731,081	\$8,705,968	\$11,307
1908	3,343,396	4,747,700	8,091,096	10,508
1909	3,298,389	4,797,073	8,095,462	9,933
1910	3,804,932	5,034,605	8,839,536	10,846
1911	4,144,940	5,762,903	9,907,843	12,156

The Lackawanna's average traffic density of over 4,800,000 is a very high figure and even surpasses the Reading, whose average for the same period was 4,700,000. The Lackawanna spent an average of \$10,950 per mile as against the Reading's average charge for upkeep of \$11,540. The Lehigh Valley, with a traffic density of 3,440,000, spent an average of \$6,527 for the period.

ADDITIONS AND BETTERMENTS

Since June 30, 1907, the company has paid out of income for "Renewals and Betterments to Property" a total amount of \$12,477,520 as follows:

Year	Amount
1907 (6 months)	\$1,740,120
1908	2,781,603
1909	2,099,454
1910	2,542,117
1911	2,200,628
	<u>1,113,598*</u>
Total (4½ years)	\$12,477,520

In addition it has a fund for the replacement of equipment which is reported since 1908 as follows:

Year	Receipts	Expenses	Balance
1908 (Jan. 1) . . . . .	.....	.....	\$63
1908	\$1,358,320	\$1,266,549	91,771
1909	1,485,982	1,377,114	108,867
1910	1,560,963	2,051,983	491,020†
1911	1,532,275	2,444,945	912,670‡

DIVIDENDS

The dividend record of the Lackawanna is one of the best in railroad history. From 1885 to 1904 the company paid 7%. In 1904, in addition to the 7% dividend, 10% extra was paid, and from 1905 up to the present time a regular dividend of 10% has always been paid, together with 10% extra every year.

In addition to the above cash dividends, a special cash dividend of 50% was declared on July 20, 1909, one-half of which was applicable to subscription in stock of the Delaware, Lackawanna & Western Coal Company. On August 2, 1909, a stock dividend of 15% was paid, and on December 20, 1911, a dividend of 35% was paid in stock of the Lackawanna Railroad Company of New Jersey.

Over and above these annual dividends of 20%, which have been paid since 1905, the following surplus has been earned:

Year	Surplus
1905	\$2,698,429
1906	587,072
1907	4,849,328
1908	5,457,125
1909	10,147,609‡
1910	4,693,184
1911	3,603,242

* This amount was charged out of income for improvements, prior to June 30, 1907, but was expended subsequent to that date.

† Deficit.

‡ This item includes profit from sale of 37,000 shares of Lehigh Valley stock, \$2,622,740.

The total surplus for the seven years is \$32,035,989, or an average of over \$4,500,000. The company's Profit and Loss Account stood on its balance sheet of December 31, 1911, at \$25,502,631, or 84% of its capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Delaware, Lackawanna & Western Railroad based on the average miles operated for the year 1900 and for the years 1905 to 1911 inclusive:

THE DELAWARE, LACKAWANNA & WESTERN RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$83,982	\$3,078	\$133,601	\$171,561	\$7,836	\$163,725	771	486
1905	34,026	3,983	133,213	171,292	20,491	150,731	770	480
1906	34,026	3,983	133,992	172,001	23,625	148,376	770	480
1907	34,026	19	134,238	168,283	23,713	144,570	770	480
1908	34,026	....	134,029	168,055	23,730	144,325	770	480
1909	37,149	393	126,629	164,171	16,281	147,890	815	480
1910	37,149	392	126,629	164,170	21,185	142,985	815	480
1911	37,149	392	127,727	165,268	11,756	153,512	815	481

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$27,091	\$3,996	\$3,601	\$10,341	\$9,153	\$2,389	\$11,542	\$8,101	\$3,441
1905	41,494	6,026	3,730	13,397	18,941	5,115	23,456	8,488	14,968
1906	42,809	6,413	3,778	14,354	18,264	5,843	24,107	9,330	14,777
1907	48,395	6,461	4,846	16,667	20,421	6,707	27,128	9,066	18,062
1908	42,725	4,342	6,166	13,679	18,538	7,579	26,117	8,613	17,504
1909	42,718	4,047	5,886	13,067	19,718	10,844*	30,562	8,378	22,184
1910	44,236	4,668	6,178	14,458	18,932	5,838	24,770	8,495	16,275
1911	44,890	5,085	7,071	15,228	17,506	6,140	23,646	9,128	14,518

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Net income to net capital	Gross earnings to gross capital	Per cent earned on capital stock
1900	\$2,379	\$1,132	\$70†	65.84%	37.7%	38.1%	29.0%	7.0%	15.8%	10.4%
1905	6,805	4,659	3,504	55.80	23.6	32.2	20.3	15.5	24.2	44.0
1906	6,805	7,209	763	56.12	25.0	31.1	21.8	16.3	24.9	43.4
1907	6,805	4,961	6,296	57.80	25.4	34.4	18.7	18.7	28.8	53.1
1908	6,805	3,613	7,086	56.61	24.6	32.0	20.1	18.1	25.4	51.4
1909	7,155	2,576	12,453	53.84	23.3	30.5	19.6	20.6	26.0	59.7
1910	7,397	3,119	5,759	57.20	24.5	32.7	19.2	17.3	27.0	43.8
1911	7,397	2,700	4,421	61.00	27.1	33.9	20.3	15.4	27.2	39.1

Fiscal year	Train mile earnings (gross)	Maintenance per revenue transportation mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.81	\$.266	\$.240	\$.683	\$.62	\$.0148	\$.0081	2,445,032	307	73%	28,293
1905	2.60	.377	.233	.839	1.15	.0143	.0078	3,826,713	461	73	24,977
1906	2.66	.397	.234	.890	1.14	.0144	.0077	3,868,828	465	70	27,738
1907	2.82	.376	.282	.971	1.19	.0143	.0076	4,529,671	490	71	28,696
1908	2.64	.267	.379	.841	1.15	.0137	.0079	4,001,377	484	74	28,477
1909	2.78	.264	.384	.852	1.28	.0138	.0078	4,057,112	520	74	28,804
1910	2.92	.308	.408	.956	1.25	.0145	.0076	4,256,591	567	73	29,605
1911	2.96	.336	.467	1.007	1.15	.0150	.0075	4,332,035	583	73	30,075

The mileage directly owned is unmortgaged.

* Includes profit of sale of Lehigh Valley stock.

† Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Delaware, Lackawanna & Western Railroad System, together with the bases upon which they have sold during the decade ending December 31, 1912:

BANGOR & PORTLAND RAILWAY

First, Second and Third Mortgage 6s

Dated: First 6s, January 1, 1880
Second 6s, January 1, 1882
Third 6s, January 1, 1886

Maturing: First 6s, January 1, 1930
Second 6s, January 1, 1932
Third 6s, January 1, 1936

Interest payable January 1 and July 1 at 90 West Street, New York.
Coupon bonds of \$1,000.

Authorized: First 6s, \$150,000
Second 6s, 100,000
Third 6s, 70,000

Outstanding: First 6s, \$150,000
Second 6s, 100,000
Third 6s, 70,000
Per mile 7,442

Security: These bonds are a direct obligation of the Delaware, Lackawanna & Western Railroad Company. They are secured by first, second and third mortgages on 42.97 miles of the company's line, from Portland to Nazareth, Pa., 38.97 miles, and from Nazareth Junction to Martin's Creek, Pa., 4.60 miles.

The Bangor & Portland Railway was chartered March 4, 1879, and was opened for traffic December 28, 1885. On July 1, 1899, this company consolidated with the Nazareth & Lehigh Railway Company, under the name of the former. The entire capital stock of the new company was owned by the Delaware, Lackawanna & Western Railroad Company, and on July 1, 1909, the Bangor & Portland Railway Company was merged into the Delaware, Lackawanna & Western Railroad Company and is now operated as the Bangor & Portland Branch.

The first mortgage bonds are considered a legal investment for savings banks in Maine and New Hampshire. The second and third mortgage bonds are considered legal in New Hampshire.

MORRIS & ESSEX RAILROAD

First Mortgage 7s

Dated July 1, 1864

Maturing May 1, 1914

Interest payable May 1 and November 1 at 90 West Street, New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal or fully registerable.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . 46,730

Security: These bonds are secured by a first mortgage on the company's line from Hoboken to Phillipsburg, N. J., 84.58 miles, and from Denville to Paterson, N. J., 22.43 miles, a total of 107.01 miles.

The bonds are ASSUMED by the Delaware, Lackawanna & Western Railroad Company.

Equity: This issue is prior in lien to the Morris & Essex Consolidated 7s of 1915; also, prior in lien to the Morris & Essex First Refunding $3\frac{1}{8}$ s of 2000, a sufficient number of which are reserved to retire the First Mortgage 7s of 1914.

The Morris & Essex Railroad Company was chartered under the laws of the State of New Jersey on January 29, 1835. On December 31, 1868, the road was leased in perpetuity to the Delaware, Lackawanna & Western Railroad, which assumed all the fixed obligations of the Morris & Essex Railroad Company and agreed to pay 7% yearly on the capital stock.

These bonds sold in 1902 on a 3.15 to 3.65 basis

1903	3.24	3.75
1904	3.45	3.70
1905	3.20	3.90
1906	3.35	4.125
1907	4.00	5.40
1908	3.65	4.27
1909	3.75	4.375
1910	3.90	4.625
1911	3.90	4.55
1912	3.10	5.50

These bonds are considered a legal investment for savings banks in Maine, Connecticut and Rhode Island.

MORRIS & ESSEX RAILROAD

First Consolidated Mortgage 7s

Dated January 15, 1875

Maturing June 1, 1915

Interest payable June 1 and December 1 at 90 West Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000.

Authorized \$25,000,000

Outstanding \$11,677,000

Per mile . . . 98,126

(Closed mortgage)

Security: These bonds are secured by a first mortgage on the 12 miles of road from Paterson to West End Tunnel, N. J., and upon lands, buildings, equipment and future acquisitions. They are secured by a second mortgage on 107.01 miles of road covered by the Morris & Essex First 7s. They are also secured by a first mortgage on 100.97 miles of second track.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by endorsement.

Equity: This issue is prior in lien to the Morris & Essex First Refunding 3½s of 2000, a sufficient number of which have been reserved to retire this issue.

Trustee: Farmers' Loan & Trust Company, New York.

For history of the Morris & Essex Railroad Company, see above.

These bonds sold in 1902 on a 3.125 to 3.45 basis

1903	3.45	3.85
1904	3.38	3.80
1905	3.25	3.80
1906	3.47	4.15
1907	3.88	3.88
1908	3.65	4.15
1909	3.70	4.35
1910	3.88	4.45
1911	3.80	4.38
1912	3.75	5.05

These bonds are considered a legal investment for savings banks in Connecticut, New Hampshire and Rhode Island.

MORRIS & ESSEX RAILROAD

First Refunding Mortgage 3½s

Dated December 1, 1900

Maturing December 1, 2000

Interest payable June 1 and December 1 at 90 West Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$35,000,000

Outstanding \$16,800,000
Per mile . . . 141,175

Provisions of issue: Of the amount authorized, \$18,200,000 are reserved for construction, equipment, etc., and for the retirement of prior liens, and \$16,800,000 are in the hands of the public as above.

Security: These bonds are a direct obligation of the company. They are secured by a second mortgage on the 12 miles from Paterson to West End Tunnel, N. J., covered by the Morris & Essex First Consolidated 7s of 1915; and by a third mortgage on the 107.01 miles covered by the Morris & Essex First 7s of 1914. They are also secured by mortgages on lands, terminals, buildings, docks, tunnels, etc., and on future acquisitions.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by endorsement.

Trustee: Farmers' Loan & Trust Company, New York.

For the history of the Morris & Essex Railroad Company, see page 273.

These bonds sold in 1909 on a 3.65 to 3.75 basis

1910	3.85 (bid)
1911	3.85
1912	3.90

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NEW YORK, LACKAWANNA & WESTERN RAILWAY

First Mortgage 6s

Dated December 31, 1880

Maturing January 1, 1921

Interest payable January 1 and July 1 at 90 West Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$12,000,000

Outstanding \$12,000,000

Per mile . . . 55,960

Security: These bonds are secured by a first mortgage on 214.44 miles of the company's line, including the 207.14 miles from Binghamton to International Bridge, New York, the Buffalo City Branch and the Cayuga Extension, and upon 213 miles of second track. They are also secured by mortgages on terminals at Buffalo and on buildings, equipment, etc., and on future acquisitions.

These bonds are ASSUMED by the Delaware, Lackawanna & Western Railroad Company.

Equity: This issue is prior in lien to the New York, Lackawanna & Western Construction 5s of 1923 and to the Terminal & Improvement 4s of 1923.

Trustee: Farmers' Loan & Trust Company, New York.

The New York, Lackawanna & Western Railway Company was chartered under the laws of the State of New York on August 26, 1880, and was open for traffic in September, 1882. On October 2, 1882, the road was leased in perpetuity to the Delaware, Lackawanna & Western, which assumed its fixed obligations and agreed to pay 5% per annum on the outstanding capital stock.

These bonds sold in 1902 on a 3.35 to 3.625 basis

1903	3.60	3.90
1904	3.63	3.85
1905	3.50	3.70
1906	3.70	4.05
1907	3.90	4.55
1908	3.57	4.30
1909	3.80	4.10
1910	3.90	4.50
1911	4.00	4.30
1912	4.10	4.60

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Rhode Island and Connecticut.

NEW YORK, LACKAWANNA & WESTERN RAILWAY

Construction Mortgage 5s

Dated August 1, 1883

Maturing August 1, 1923

Interest payable February 1 and August 1 at 90 West Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$5,000,000

Per mile . . . 23,320

Security: These bonds are a direct obligation of the company. They are secured by a second mortgage on the 214.44 miles of road which are covered by the New York, Lackawanna & Western First Mortgage 6s of 1921.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by endorsement.

Equity: This issue is prior in lien to the New York, Lackawanna & Western Terminal & Improvement 4s of 1923.

Trustee: Farmers' Loan & Trust Company, New York.

For the history of the New York, Lackawanna & Western Railway Company, see page 275.

These bonds sold in 1902 on a 3.75 to 3.95 basis

1903	3.90	4.35
1904	3.85	4.15
1905	3.85	4.05
1906	3.80	4.30
1907	4.00	4.85
1908	3.95	4.22
1909	3.80	4.10
1910	3.95	4.38
1911	4.20	4.30
1912	4.12	4.40

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK, LACKAWANNA & WESTERN RAILWAY

Terminal & Improvement Mortgage 4s

Dated May 1, 1890

Maturing May 1, 1923

Interest payable May 1 and November 1 at 90 West Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . . 23,320

Security: This issue is a direct obligation of the company. It is secured by a third mortgage on the 214.44 miles of the company's line covered by the First Mortgage 6s of 1921 and by the second mortgage of the Construction 5s of 1923.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by endorsement.

Trustee: Farmers' Loan & Trust Company.

For the history of the New York, Lackawanna & Western Railroad Company, see page 275.

The above bonds sold in 1902 on a 3.62 to 3.85 basis

1903	3.80	4.00
1904	3.60	4.00
1905	3.63	3.75
1906	3.80	3.85
1907	4.25	5.30
1908	3.85	4.25
1909	3.95	4.05
1910	3.90	4.22
1911	4.05	4.25
1912	4.22	4.50

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

OSWEGO & SYRACUSE RAILROAD

Construction Mortgage 5s

Dated May 1, 1883

Maturing May 1, 1923

Interest payable May 1 and November 1 at 90 West Street, New York.

Coupon bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$668,000
Per mile . . . 19,085

Security: The above bonds are a direct obligation of the company, and are secured by a second mortgage on 35 miles of the company's road from Oswego to Syracuse, N. Y., covered by the first mortgage of the Oswego & Syracuse Railroad First 7s of 1907, which were purchased by the Delaware, Lackawanna & Western Railroad Company and held as a treasury asset.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by endorsement.

Trustee: Farmers' Loan & Trust Company, New York.

The Oswego & Syracuse Railroad was chartered under the laws of the State of New York in 1839, and its property was leased from 1869 to the extent of its charter, to the Delaware, Lackawanna & Western Railroad Company, which assumed all its funded obligations as of March 1, 1869, and guaranteed 9% on the outstanding capital stock.

These bonds sold in 1906 on a 3.80 basis	
1909	4.15 (bid)
1910	4.35 (bid)
1911	4.35 (bid)
December, 1912	4.87 (bid)

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

WARREN RAILROAD

First Refunding Mortgage $3\frac{1}{2}\%$

Dated July 17, 1900

Maturing August 1, 2000

Interest payable February 1 and August 1.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$2,000,000

Outstanding \$1,394,000

Security: The above bonds are secured by a mortgage on the line of the Warren Railroad, extending from the centre of the bridge across the Delaware River at the point of connection with the Delaware, Lackawanna & Western Railroad, to its connection with the Central Railroad of New Jersey at a Junction in Hunterton County, 18.82 miles, together with lands, buildings and franchises now owned or hereafter acquired by the company.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Delaware, Lackawanna & Western Railroad Company by indorsement.

Trustee: The Farmers' Loan & Trust Company, New York.

The Warren Railroad was chartered February 12, 1851. The road was opened for traffic June, 1856. On October 1, 1857 the property of the Warren Railroad was leased in perpetuity to the Delaware, Lackawanna & Western Railroad, at an annual rental of 7% on its stock and interest on its bonds.

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

GREAT NORTHERN RAILWAY COMPANY

GREAT NORTHERN RAILWAY COMPANY

HISTORY

The Great Northern Railway Company was chartered September 18, 1889, as the successor to the Minneapolis & St. Cloud Railway, which had been chartered by the Legislative Assembly of the Territory of Minnesota on March 1, 1856.

On February 1, 1890, the property of the St. Paul, Minneapolis & Manitoba Railway was formally leased to the Great Northern for 999 years, the lessor guaranteeing dividends at 6% per annum on the St. Paul stock, and payment of both principal and interest on its bonds. In October, 1898, and subsequently, the Great Northern acquired 98% of the capital stock of the St. Paul Company by issuing its own stock in exchange therefor at the rate of \$125 for \$100.

The Great Northern Railway Company purchased the entire capital stock of the Seattle & Montana Railway Company in 1898 and began operating the road on August 1 of that year. The Park Rapids & Leech Lake Railway was leased May 1, 1899, the lease to run from year to year. All the stocks and securities of the company were acquired by the Great Northern. In 1902 the entire capital stock of the Eastern Railway of Minnesota was purchased, and the road was leased for 99 years, from May 1, 1902, at a rental equivalent to the interest on its bonds and dividends of 6% per annum on its capital stock. The lines of the Duluth, Superior & Western Terminal Company were leased for 99 years, from May 1, 1903, at a rental of \$20,000 a year, and at the same time an agreement was made with the Allouez Bay Dock Company, which operates the ore docks of the former, by which Great Northern ore trains were permitted to run to the docks. The Minnesota & Great Northern Railway was taken over by the Great Northern Railway in November, 1904, this agreement being terminable on three months' notice by either party.

On December 11, 1906, the Great Northern Railway was authorized, subject to the approval of its stockholders, to increase its capital stock by issuing 600,000 shares of \$100 par value for the following purposes, — to provide additional terminals and other facilities for existing lines, and to acquire the stocks or bonds, or both, of the following companies:

Dakota & Great Northern Railway
Montana & Great Northern Railway
Billings & Northern Railroad
Washington & Great Northern Railway
Portland & Seattle Railway
Vancouver, Victoria & Eastern Railway & Navigation Company
Brandon, Saskatchewan & Hudson's Bay Railway
Midland Railway, Manitoba

Under the authorization given at the annual stockholders' meeting held October 10, 1907, the Great Northern purchased, and now holds title to, the following lines of railway, together with their equipment, securities and all other property and assets:

St. Paul, Minneapolis & Manitoba Railway
Eastern Railway of Minnesota
Willmar & Sioux Falls Railway

Park Rapids & Leech Lake Railway
 Duluth, Watertown & Pacific Railway
 Montana Central Railway
 Minnesota & Great Northern Railway
 Minneapolis Union Railway
 Spokane Falls & Northern Railway
 Columbia & Red Mountain Railway
 Washington & Great Northern Railway
 Seattle & Montana Railroad
 Dakota & Great Northern Railway
 Montana & Great Northern Railway
 Billings & Northern Railroad

Payment was made by assuming the bonds of the above companies, writing off the amounts advanced for construction purposes, discharging the current liabilities, and upon payment of other considerations. These properties were carried on the books of the selling companies at nearly \$250,000,000.

In 1901 control of the Chicago, Burlington & Quincy Railroad was purchased jointly with the Northern Pacific Railway. It was at that time that an attempt was made to merge all three through the formation of the Northern Securities Company as a holding organization. This holding company, it will be remembered, was declared illegal, and dissolved. At the present time the Great Northern owns, jointly with the Northern Pacific, practically the entire capital stock of the Burlington. Its half consists of 1,076,135 shares, having a book value of \$109,114,809. This stock, together with a like amount held by the Northern Pacific Railway Company, has been pledged under the Northern Pacific-Great Northern-Chicago, Burlington & Quincy 4% Collateral Joint Bonds, amounting to \$215,227,000, and is guaranteed as to principal and interest by both.

The following companies are owned by the Great Northern Railway Company:

Brandon, Saskatchewan & Hudson's Bay Railway
 Manitoba & Great Northern Railway
 Crow's Nest Southern Railway
 Nelson & Fort Vancouver Railway
 Victoria & Eastern Railway & Navigation Company
 Nelson & Fort Shepard Railway
 New Westminster Southern Railway
 Red Mountain Railway

(The above are located in the Dominion of Canada)

Duluth Terminal Railway
 Minneapolis Western Railway

These roads have no bonds outstanding, and their operations are reported in the earnings of the parent company.

One important piece of construction, in which the Great Northern is interested jointly with the Northern Pacific Railway, is the building of the Spokane, Portland & Seattle Railway, for which both have made large advances in recent years. In settlement for these advances, the Spokane, Portland & Seattle Railway Company has delivered to, and in the names of both, jointly, but for equal division between them, a certificate calling for \$40,000,000 of its capital stock, also \$61,000,000 of its First Mortgage 4% Fifty-Year Gold Bonds dated March 1, 1911, the payment of which, both principal and interest, has been guaranteed by the two companies. \$30,500,000 of these bonds are now in the treasury of the Great Northern Company.

ORE PROPERTIES

Among the most important assets of the Great Northern at one time were its holdings of large supplies of ore in northeastern Minnesota, comprising over 65,000 acres of land. These had been turned over to the Lake Superior Company, Ltd., a corporation closely affiliated with the Great Northern Railway. In December, 1906, the Lake Superior Company, Ltd. transferred all its property to Louis W. Hill, James N. Hill, Walter J. Hill, and E. T. Nichols, as the Trustees of the Great Northern Iron Ore Properties. Two months previous to this date it was announced that the owners of the \$150,000,000 share capital of the Great Northern Railway Company, on record December 6, 1906, would receive "certificates of beneficial interest in the ore properties" share for share. On the following day (December 7) the transfer of the above-mentioned properties was made, and in January, 1907, the trustees leased a portion of the lands, comprising some 40,000 acres, to the Great Western Mining Company, a subsidiary of the United States Steel Company. This lease was to run indefinitely unless terminated at the option of the Steel Corporation, January 1, 1915, on two years' notice. During the year 1912 the Steel Corporation notified the trustees that it desired to terminate the lease in 1915. It has been stated that the trustees will enter the market as independent producers, and will grant no more leases to other interests.

LAND DEPARTMENT

Like most Western railroads built in the development period of the West, the Great Northern was assisted by extensive land grants from the government. In the company's report for the fiscal year ending June 30, 1912, the amount of land which remained unsold in the St. Paul, Minneapolis & Manitoba land grant was 797,011 acres. The original grant to the railroad was 3,848,000 acres. There were also 18,009 acres of land still remaining in the Minneapolis & St. Cloud land grant, which was originally over 425,000 acres.

PROPERTY

The statement of the Great Northern Railway and proprietary companies for the fiscal year ending June 30, 1912, showed a total of 7,482.36 miles of main track in the system. Of this amount, 6,553.38 miles were owned in fee (17.66 miles of which have been leased to other companies), 622.50 miles were owned by controlled companies, and 324.14 miles were being operated under contracts and trackage rights. The average miles under operation by the system were 7,369.

The lines of the Great Northern connect Sioux City and Minneapolis, the terminals of the Chicago, Burlington & Quincy, and Duluth, the great port of Lake Superior, on the east, with the Pacific ports, Vancouver, Seattle, Tacoma and Portland, on the west. Its branches form a network of roads in Minnesota and North Dakota, and extend up into Canada, tapping the territories of Manitoba, Alberta and British Columbia. Its mileage traverses the States of Minnesota, North Dakota, Montana, Idaho and Washington. The population of these States in 1890 was 2,050,300; in 1900, 2,993,780, and in 1910, 4,496,400.

CAPITALIZATION

The capital account of the Great Northern Railway Company and the independently operated lines of the Minneapolis Western Railway and the Duluth Terminal Railway, all of which comprise the Great Northern Railway System, stood as follows on the condensed balance sheet for the fiscal year ending June 30, 1911:

Capital stock	\$209,990,750
Funded debt	143,757,909
Nominal capital	\$353,784,659
Rentals capitalized @ 5%	15,089,000
Gross capitalization	\$368,837,659
Securities owned	60,264,516
Net capitalization	\$308,573,143
Net capital per mile operated	\$41,874
Average miles operated	7,369
Net income to net capital	10.5%
Fixed charges to net income	33.0%
Margin of safety	67.0%

The total stocks and bonds of the Great Northern, as shown above, amounted to over \$353,000,000. On the basis of 7,177.57 miles actually owned by the Great Northern Railway and controlled companies, this gives a capitalization per mile of road of \$49,285. The Northern Pacific, with 6,297 miles owned in fee, has a nominal capitalization of \$69,773 per mile, while the Chicago, Burlington & Quincy shows \$36,400 per mile for the 8,808 miles directly owned.

There have been no increases in the capital stock of the company since May 1, 1908, when 600,000 shares were issued under the resolution adopted by the board of directors December 11, 1906.

As of May 1, 1911, the company executed and delivered to the Bankers Trust Company as Trustee, its mortgage to secure an issue of not to exceed \$600,000,000 First & Refunding Mortgage Gold Bonds maturing July 1, 1961. Under the terms of this mortgage all prior mortgages become closed and no additional bonds may be issued thereunder. Of the \$600,000,000 face value of First & Refunding Mortgage Bonds provided for, \$332,162,000 have been reserved to refund the prior mortgage bonds of the company and the Northern Pacific-Great Northern-Chicago, Burlington & Quincy Collateral 4% Joint Bonds, \$100,000,000 are reserved to be issued at the rate of not exceeding \$3,000,000 per annum for the construction or acquisition of additional railways and equipment; \$92,838,000 are reserved to cover the cost of acquisition, after January 1, 1912, of the bonds and stocks of other companies; \$30,000,000 are reserved to cover the cost of property acquired after May 1, 1911, and \$45,000,000 were issued as 4 $\frac{1}{4}$ % bonds upon the execution and delivery of the mortgage. \$35,000,000 of these were sold at that time.

It is interesting to compare the increase in capital with the increase in earnings since 1900. It will be seen by the following table that while the capitalization of the system increased 81%, its gross earnings increased over 113%:

	Capital stock	Funded debt	Total capital	Gross earnings
1900	\$98,882,700	\$96,753,697	\$195,636,397	\$28,910,789
1911	209,990,750	143,757,909	353,748,659	66,197,819
Increase			\$158,112,262	\$37,287,030
Per cent increase			81%	129%

It will be noted that the net capitalization of the Great Northern System in 1912 was \$41,874 per mile of road operated. On this net capital the system earned 10.5%. This compares with 8.7% earned in 1911, the lowest figure reported in ten years, with the single exception of 1908, when the company reported a net income to net capital of 8.2%. The Northern Pacific, with a net capital per mile of \$66,933, earned a net income equivalent to 7.6% on that amount, while the Chicago, Burlington & Quincy reported net earnings of 9.7% on \$32,136 net capital per mile.

During the five years ending 1912 the average net income to net capital of the Great Northern was 9.2% as compared with 9.0% for the Chicago, Burlington & Quincy and 7.9% for the Northern Pacific.

CHARACTER OF TRAFFIC

The Great Northern gives no report of the character of its tonnage. It is a well-known fact, however, that the Pacific Extension developed a big lumber traffic eastbound, while westbound tonnage has been stimulated by Asiatic trade through the purchase of a steamship line to the Orient. The road also reaches the heart of the grain belt of the Northwest. Another important item of traffic is derived from the iron ore properties of the Lake Superior region. This always proves a mainstay when other companies are suffering from crop shortages.

Following are some of the more important traffic statistics of the Great Northern for the years 1907 to 1912 inclusive:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	897,719	548	\$41,270,191	\$.0077
1908	783,127	509	40,311,420	.0078
1909	711,222	502	39,464,810	.0081
1910	808,957	518	46,675,733	.0082
1911	739,576	524	43,379,174	.0081
1912	845,123	601	47,877,369	.0077

It will be seen that the freight density — the number of tons carried one mile per mile of road operated — has never approached the high figures of 1907, although the generally higher rates which have prevailed since 1909 have kept freight earnings higher than at that time.

The operating efficiency of the Great Northern has been steadily improving since 1908, as is evidenced by the average number of revenue tons per train per mile. Ten years ago the Great Northern reported an average train load of 447 tons. In 1912 this figure had increased nearly 35% to 601 tons, and has fairly outstripped the Northern Pacific and the Chicago, Burlington & Quincy, which reported 511 and 438 tons respectively for the fiscal year ending 1912.

The development of passenger traffic has been more than satisfactory. Measured by gross earnings this business represented in 1912 over 20% of the entire traffic. Since 1902 the passenger density — the number of passengers carried one mile per mile of road operated — has increased 36%, while earnings from this source have increased over 104%, as will be seen by the following table:

Year	Passenger density	Passenger earnings	Average rate per passenger per mile
1902	54,547	\$6,662,173	\$.0233
1907	74,655	11,048,927	.0237
1908	74,765	11,189,533	.0227
1909	72,032	10,977,948	.0224
1910	92,497*	14,311,800	.0220
1911	81,521	13,422,057	.0227
1912	74,344	13,623,009	.0248

* Due to heavy traffic, caused by the Alaska-Yukon Pacific Exposition at Seattle.

EARNINGS

The gross and net earnings of the Great Northern System, both actual and per mile, are given below for the six years ending 1912. In 1907 gross earnings, as well as net earnings, were the largest the company had ever reported.

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	5,982	\$55,144,402	\$9,218	\$22,581,626	\$3,775
1908	6,594	54,429,632	8,254	18,271,577	2,771
1909	6,808	53,687,444	7,886	21,133,957	3,104
1910	7,020	64,465,369	9,183	25,187,274	3,587
1911	7,244	61,257,632	8,455	23,657,241	3,265
1912	7,369	66,197,819	8,983	28,535,273	3,872
Per cent increase in gross for period					20.0%
Per cent increase in net for period					26.4%

In 1908 gross earnings fell 3% and net earnings 24%. The cost of conducting transportation was curtailed to parallel the decline in gross earnings, but maintenance charges increased over \$4,300,000. This caused an increase in total operating expenses of \$3,600,000, and the operating ratio rose from 59.05% in 1907 to 66.43% in 1908. A still further reduction in gross earnings in 1909 was more than offset by a reduction of nearly 10% in operating expenses, resulting in a substantial gain in net earnings.

Improved business conditions, which were reflected in the company's earnings in February, 1909, continued through the entire year, bringing about in 1910 the largest gross and net earnings for one year ever reported by the company up to that time. Both increased nearly 20%. The earnings for 1911 were affected by the light grain crops in the fall of 1910. The nominal set back of that year was more than offset by a gain in gross in the fiscal year of 1912, of nearly \$5,000,000 due to the large increase of product of agriculture and mines carried. As a result, a new high record for gross earnings was made in 1912. Almost all this gain in gross was saved for net earnings, the company's operating ratio falling from 61.38% in 1911 to 56.89% in 1912.

MAINTENANCE

From 1900 to 1906 the Great Northern showed an operating ratio of about 50%, an exceptionally low figure in comparison with other roads of its class. This was evidently due to the fact that maintenance charges were being kept down. In 1907 and 1908 this policy underwent a radical change, and whereas in 1905 only \$973 per mile was spent for maintenance of way, in 1910 \$1,677 was thus expended and \$1,251 in 1912. Charges for equipment rose from \$655 per mile in 1905, to \$1,071 in 1910 and \$1,065 in 1912, and it is significant that the average operating ratio since 1907 has been in the neighborhood of 61%, a more normal figure.

Following are the amounts which the Great Northern has spent for maintenance, also figured on a per mile basis, for the years 1906 to 1912 inclusive:

Year	Maintenance of Way	Equipment	Total maintenance	Per mile	Per cent to gross earnings
1906	\$6,453,240	\$4,820,649	\$11,273,889	\$1,908	22.0%
1907	8,024,889	5,622,513	13,647,402	2,280	24.8
1908	10,030,877	7,917,388	17,948,265	2,722	33.0
1909	9,797,370	6,173,846	15,971,216	2,345	29.7
1910	11,773,314	7,520,634	19,293,948	2,748	29.9
1911	9,654,776	7,681,270	17,336,046	2,393	28.3
1912	9,220,286	7,854,687	17,074,973	2,316	25.8

ADDITIONS AND BETTERMENTS

Considerable sums have been expended in recent years for additions and betterments. On its balance sheet of June 30, 1912, we find the cost of additions and improvements made to the property of the Great Northern Railway Company and paid for from the "Fund for Permanent Improvements and Betterments" was \$27,510,280. The annual reports of the company since 1908 show the amounts thus expended:

Year	Additions	Betterments	Total
1908	\$2,265,354	\$2,174,586	\$4,439,940
1909	1,744,046	2,251,893	3,995,939
1910	2,350,499	2,523,985	4,874,484
1911	2,239,780	4,164,257	6,404,037
1912	1,300,262	1,209,464	2,509,726
	<u>\$9,899,941</u>	<u>\$12,324,185</u>	<u>\$22,224,126</u>

The foregoing shows over \$22,000,000 spent for additions and betterments during the five years, or an average of nearly \$4,500,000 annually. Of the above, \$860,023 was expended upon controlled roads in the Dominion of Canada.

Of late years it has been the custom of the road to charge its entire surplus after dividends, to betterments. The amounts which have been set aside from income since 1907 are as follows:

Year	Amount
1908	\$2,468,832
1909	2,789,960
1910	2,319,158
1911	2,818,337
1912	4,252,000
Total for five years	<u>\$14,648,287</u>
Average per year	2,929,657

DIVIDENDS

Since the Great Northern Railway was chartered in 1889, the following dividends have been earned and paid:

Year	Rate	Year	Rate
1890	1%	1897	5½%
1891	4¾	1898	6¼
1892-6	5	1899-1912	7

It will be noted that the dividend rate was never reduced, once it was established. It is quite remarkable, too, that the company was able to pay 5% dividends through the panic years of 1893 and following.

The Profit and Loss Account of the Great Northern System stood on its condensed balance sheet of June 30, 1912, at \$40,953,272. This amount, together with \$29,450,322 representing "unexpended balances," makes a total of \$70,403,594, which is equivalent to 33% of the outstanding capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Great Northern Railway, based on the average miles operated, for the year 1900 and the years 1905 to 1912 inclusive. The figures used in 1900, and 1905 to 1907 inclusive, are those of the Great Northern Railway, the Montana Central Railway, the Willmar & Sioux Falls Railway, and the Duluth, Watertown & Pacific Railway. From 1908 the figures used are those of the Great Northern Railway and the lines independently operated; namely, the Minneapolis Western Railway and the Duluth Terminal Railway.

In the following tables "Funded debt" includes bonds assumed by the Great Northern Railway and the obligations of the Minneapolis Western Railway. The Great Northern-Northern Pacific-Chicago, Burlington & Quincy Collateral Trust Joint 4s are not included in the "Funded debt," hence the Chicago, Burlington & Quincy stock, as collateral, is not included among the securities shown in the column "Owned by company."

THE GREAT NORTHERN RAILWAY

Fiscal year	Capital stock	Funded debt	Rentals at 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$19,484	\$19,064	\$773	\$39,321	\$5,727	\$33,594	5,075	74
1905	21,793	18,884	348	41,025	9,960	31,065	5,723	107
1906	25,380	16,071	351	42,702	11,964	30,738	5,906	110
1907	30,847	16,701	344	47,892	15,752	32,140	5,982	114
1908	31,841	14,855	534	47,230	5,834	41,396	6,594	149
1909	30,841	14,691	678	46,210	6,202	40,008	6,808	163
1910	29,916	15,581	727	46,224	6,816	39,408	7,020	165
1911	28,987	19,924	1,828	50,739	8,754	41,985	7,244	201
1912	28,496	19,508	2,048	50,052	8,178	41,874	7,369	201

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$5,696	\$853	\$410	\$1,668	\$2,765	\$988	\$3,753	\$1,171	\$2,582
1905	7,605	973	655	2,118	3,859	272	4,131	1,190	2,932
1906	8,681	1,092	816	2,469	4,304	234	4,538	1,178	3,352
1907	9,218	1,341	939	3,163	3,775	458	4,213	1,180	3,042
1908	8,254	1,522	1,200	2,761	2,771	634	3,405	1,131	2,274
1909	7,886	1,439	906	2,437	3,104	587	3,691	1,123	2,568
1910	9,183	1,677	1,071	2,848	3,587	213	3,800	1,267	2,533
1911	8,455	1,333	1,060	2,797	3,265	411	3,676	1,259	2,417
1912	8,983	1,251	1,065	2,793	3,872	518	4,390	1,452	2,938

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$1,262	\$354	\$966	51.46%	22.2%	29.3%	20.6%	14.5%	11.2%	13.2%
1905	1,519	524	889	49.26	21.5	27.8	15.6	18.5	12.3	13.4
1906	1,549	857	946	50.42	22.0	28.4	13.5	20.3	14.8	13.3
1907	1,806	825	411	59.05	24.8	34.3	12.8	19.2	13.2	9.9
1908	1,898	376	...	66.43	33.0	33.4	13.7	17.5	8.2	7.1
1909	2,159	409	...	60.64	29.7	30.9	14.2	17.1	9.2	8.3
1910	2,094	330	109	60.93	29.9	31.0	13.8	19.9	9.6	8.4
1911	2,029	388	...	61.38	28.3	33.1	14.9	16.6	8.7	8.3
1912	1,995	577	366	56.89	25.8	31.1	16.2	17.9	10.5	10.3

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$2.62	\$392	\$191	\$764	\$1.27	\$0.0238	\$0.0090	493,555	357	78%	23,351
1905	2.98	.381	.256	.833	1.51	.0238	.00792	728,666	522	76	33,429
1906	3.08	.388	.289	.873	1.53	.0235	.00791	835,342	529	76	35,554
1907	3.09	.449	.315	1.066	1.26	.0237	.00769	897,719	548	75	40,711
1908	2.97	.546	.431	.995	.996	.0227	.00781	783,127	509	74	44,692
1909	2.99	.546	.344	.926	1.18	.0224	.00815	711,222	502	73	44,784
1910	2.96	.543	.347	.924	1.16	.0220	.00821	808,957	518	72	46,809
1911	2.80	.442	.352	.931	1.09	.0227	.00809	739,576	524	71	48,804
1912	3.00	.419	.357	.944	1.30	.0248	.00768	845,123	601	72	50,450

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Great Northern Railway System, together with the bases upon which they have sold during the decade, ending December 31, 1912:

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY

Consolidated Mortgage Sinking Fund 6s, 4½s and 4s

Dated May 1, 1883

Maturing July 1, 1933

Interest payable January 1 and July 1 at 32 Nassau Street, New York City.

Coupon bonds of \$1,000, registerable as to principal only, or fully registerable.

Registered bonds of \$1,000.

Authorized \$50,000,000

Outstanding 6s	\$13,344,000
4½s	21,220,000
4s	8,569,000
Per mile . . .	16,900

Provisions of issue: These bonds have been limited by the terms of the Great Northern Railway First & Refunding Mortgage 4½s of 1961 to an issue of \$43,223,000, of which \$43,114,000 are outstanding as above. Under the terms of the 4½s of 1961, a sufficient number of the same have been reserved to provide for the retirement of this issue.

Security: The above bonds are secured by a direct mortgage on 2,551.67 miles of road, covering over two-thirds of the company's entire mileage; also on securities, lands, buildings and equipment of the company and future acquisitions. They are secured by a first mortgage on the company's terminals at St. Paul and Minneapolis; on the land grants of the company, and on 2,549.04 miles of road. They are further secured by a second mortgage on 2.63 miles of road of the Minneapolis Union Railway, covered by the first lien of the Minneapolis Union Railway First 5s and 6s of 1922.

These bonds are ASSUMED by the Great Northern Railway Company.

Sinking fund: The proceeds of the company's land sales are pledged for the payment of interest, and redemption of the principal of these bonds semi-annually upon two weeks' notice. The trustee shall purchase the bonds at the lowest price or in the open market if so obtainable at a lower rate than any proposal, and bonds so purchased shall be cancelled.

Trustee: Central Trust Company, New York.

The St. Paul, Minneapolis & Manitoba Railway was organized under the laws of Minnesota, May 23, 1879, as the result of a foreclosure sale of the St. Paul & Pacific Railroad. The property of the company was leased to the Great Northern Railway Company for 999 years from February 1, 1890, at an annual rental equivalent to interest on the funded debt and dividends of 6% on the outstanding capital stock. The St. Paul, Minneapolis & Manitoba Railway's property was conveyed to the Great Northern Railway in 1907 and operated as an integral part of its system.

The 6% bonds sold in 1902 on a 3.75 to 4.05 basis

1903	3.95	4.37
1904	4.00	4.20
1905	3.70	3.88
1906	3.75	4.00
1907	4.05	4.70
1908	4.00	4.25
1909	3.90	4.15
1910	4.05	4.25
1911	4.10	4.25
1912	4.15	4.40

The $4\frac{1}{2}\%$ bonds sold in 1902 on a 3.65 to 3.85 basis

1903	3.87	4.15
1904	3.77	4.05
1905	3.63	3.85
1906	3.75	4.05
1907	4.00	4.37
1908	3.77	4.37
1909	3.80	4.10
1910	4.00	4.25
1911	4.05	4.15
1912	4.10	4.25

The 4% bonds sold in 1909 on a 4.15 basis (bid)

1910	4.00	4.15
1911	4.05	4.10
1912	4.00	4.20

The above bonds are considered a legal investment for savings banks in New England.

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY

Montana Extension First Mortgage Gold 4s

Dated June 1, 1887

Maturing June 1, 1937

Interest payable June 1 and December 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal only, or fully registerable.

Registered bonds of \$1,000 and \$5,000.

Authorized \$25,000,000

Outstanding \$10,185,000

Per mile . . . 9,370

Provisions of issue: In addition to the \$10,185,000 in the hands of the public, \$11,502,000 are deposited with the trustee of the Pacific Extension First 4s of 1940. No more of these bonds may be issued under the terms of the mortgage of the Great Northern First & Refunding $4\frac{1}{4}$ s of 1961, a sufficient number of which have been reserved to retire the outstanding bonds.

Security: The above bonds are secured by a direct mortgage on 1,087.36 miles of the company's road extending from the Montana-North Dakota State Line to Great Falls, and on all roads and branches now owned or hereafter acquired in Montana, and equipment. They are secured by a first mortgage on 837.18 miles, including the 411.59 miles from the North Dakota-Montana State Line to Great Falls, Mont., and the 401.48 miles from the Idaho State Line to Pacific Junction, Mont. They are secured by a second mortgage on the 249.18 miles covered by the Montana Central First Mortgage 5s and 6s of 1937.

These bonds are ASSUMED by the Great Northern Railway.

Trustee: Central Trust Company of New York.

For the history of the St. Paul, Minneapolis & Manitoba Railway Company, see page 292.

These bonds sold in 1902 on a 3.55 to 3.87 basis

1903	3.80	4.00
1904	3.75	4.00
1905	3.70	3.85
1906	3.75	4.00
1907	3.98	4.40
1908	4.00	4.35
1909	3.95	4.15
1910	4.00	4.15
1911	4.10	4.30
1912	4.10	4.30

These bonds are considered a legal investment for savings banks in New England.

ST. PAUL, MINNEAPOLIS & MANITOBA RAILWAY

Pacific Extension First Mortgage Gold 4s

Dated July 1, 1890

Maturing July 1, 1940

Interest payable January 1 and July 1 at 32 Nassau Street, New York, and at Baring Brothers, London.

Principal and interest payable in sterling at the rate of 4s 1½d to the dollar.

Coupon bonds of £100, £500 and £1,000, registerable as to principal only, or fully registerable.

Registered bonds of £1,000.

Authorized £6,000,000

Outstanding £6,000,000

Per mile . . . £7,060

Security: The above bonds are secured by a mortgage on 850.29 miles of the company's road, and on lands, buildings, rolling stock and franchises now owned or hereafter acquired for use on or in connection with this line. They are secured by a first mortgage on the company's line from Everett, Wash., to the Idaho-Montana State Line, 433.11 miles, and by a second mortgage on 417.18 miles, including the line from the Idaho-Montana State Line to Pacific Junction, Mont., 401.48 miles, which is covered by a part of the first mortgage of the Montana Extension 4s of 1937. They are also secured by deposit with the trustee of \$11,502,000 Montana Extension 4s of 1937, which cover as a first lien the above mileage in Montana.

Equity: These bonds are prior in lien to the Great Northern First & Refunding 4¼s of 1961, which provide for the retirement of this issue at maturity.

These bonds have been ASSUMED by the Great Northern Railway Company.

Trustee: Central Trust Company, New York.

For the history of the St. Paul, Minneapolis & Manitoba Railway Company, see page 292.

These bonds sold in 1909 on a 4.30 basis (bid)

1910 4.45 (bid)

1911 4.45

December, 1912 4.45 (bid)

These bonds are considered a legal investment for savings banks in New England.

EASTERN RAILWAY OF MINNESOTA

Northern Division First Mortgage 4s

Dated April 1, 1898

Maturing April 1, 1948

Interest payable April 1 and October 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$5,000.

Authorized \$15,000,000

Outstanding \$9,695,000

Per mile . . . 34,100

Provisions of issue: By the terms of the mortgage of the Great Northern First & Refunding $4\frac{1}{4}$ s of 1961, the authorized amount of this issue has been limited to those bonds at present outstanding.

Security: The above bonds are secured by a first mortgage on 284.36 miles of the company's line including the line from Boylston, Wis., to Fosston, Minn., and branches. They are further secured by a first mortgage on the company's terminals and wharves in Duluth and West Superior, also upon the equipment of the lines and future acquisitions.

These bonds have been ASSUMED by the Great Northern Railway Company.

Equity: These bonds are prior in lien to the Great Northern First and Refunding $4\frac{1}{4}$ s of 1961, a sufficient number of which have been reserved to retire this issue at maturity.

Redemption: The above bonds are redeemable at 105 and interest on any date after April 1, 1928, upon three months' notice.

Trustee: Bankers' Trust Company, New York.

The Eastern Railway Company of Minnesota was organized August 13, 1887, by special permission of the Territory of Minnesota, under the charter of the Minneapolis & St. Cloud Railroad Company. The company's road from Hinckley to West Superior was opened for traffic September 23, 1888. On May 1, 1902, the properties of this company were leased for 99 years to the Great Northern Railway Company at an annual rental equivalent to the interest on the company's bonded debt and dividends at the rate of 6% per annum on the capital stock, all of which was owned by the lessee.

Together with other proprietary companies, the Eastern Railway Company of Minnesota was consolidated into the system of the Great Northern Railway in 1907.

These bonds sold in 1909 on a 3.92 to 4.10 basis

1910 4.02

1911 4.20

1912 4.10 to 4.20

These bonds are considered a legal investment for savings banks in New England.

THE MONTANA CENTRAL RAILWAY

First Mortgage 5s and 6s

Dated July 1, 1887

Maturing July 1, 1937

Interest payable January 1 and July 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and \$5,000.

Authorized \$10,000,000

Outstanding (5s) \$4,000,000

(6s) 6,000,000

Per mile 40,100

Security: The above bonds are secured by a first mortgage on 249.18 miles of the company's road, including the line from Great Falls to Butte, Mont., 169.27 miles, and branches. They are further secured by a first mortgage on the company's equipment, lands and all future acquisitions.

These bonds have been ASSUMED by the Great Northern Railway Company.

Equity: These bonds are prior in lien to the St. Paul, Minneapolis & Manitoba Montana Extension 4s of 1937, and the Great Northern First & Refunding 4½s of 1961, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

The Montana Central Railway Company of Minnesota was organized January 25, 1886. The company's main line and branches were opened as constructed at various times, between 1887 and 1893. The company was controlled by the Great Northern Railway Company through ownership by the latter of its entire capital stock, and its operations were included in the statement of the Great Northern.

Together with other proprietary companies, the Montana Central Railway Company was consolidated into the Great Northern Railway Company in 1907.

The First 5s of 1937 sold in 1902 on a 3.70 to 3.75 basis

1903	4.10	4.40
1904	4.10	4.20
1905	3.90	4.00
1906	3.90	4.10
1907	4.10	4.70
1908	4.15	4.30
1909	4.00	4.20
1910	4.15	4.37
1911	4.20	
1912	4.25	4.40

The First 6s of 1937 sold in 1902 on a 3.85 to 4.15 basis

1903	4.12	4.15
1904	4.05	4.15
1905	3.95	4.05
1906	3.95	4.10
1907	4.15	4.50
1908	4.20	4.30
1909	4.05	4.15
1910	4.20	4.40
1911	4.15	4.25
1912	4.20	4.37

These bonds are considered a legal investment for savings banks in New England except in Maine.

WILLMAR & SIOUX FALLS RAILWAY

First Mortgage 5s

Dated June 1, 1888

Maturing June 1, 1938

Interest payable June 1 and December 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Authorized \$2,625,000

Outstanding \$3,625,000

Per mile . . . 11,900

Provisions of issue: Besides the amount authorized as above, there have been additional bonds authorized for construction and purchase of branches at a rate not to exceed \$17,500 per mile. To date \$3,646,000 of these bonds have been issued, and under the terms of the Great Northern First & Refunding 4½s of 1961 this mortgage is closed. Beside the amount outstanding, as above, \$21,000 of these bonds are held by the trustee of the First & Refunding 4½s of 1961, a sufficient number of which have been reserved to acquire all those at present outstanding.

Security: The above bonds are secured by a first mortgage on the company's road from Willmar, Minn., to Sioux City, Ia., 223.15 miles, and also the line from Garretson to Yankton, S. D., 80.94 miles. All the equipment and future acquisitions of these lines are included under the mortgage.

These bonds have been ASSUMED by the Great Northern Railway Company.

Trustee: Central Trust Company, New York.

The Willmar & Sioux Falls Railway Company was chartered under the laws of the State of Minnesota March 3, 1886, and its road was opened for traffic from Willmar to Yankton, South Dakota, 205 miles, on November 1, 1893. In 1900 the company acquired the Sioux City & Northern Railroad, the Sioux City & Western Railway, and the property of the Sioux Falls Terminal Railroad.

This company, up to 1907, was controlled by the Great Northern Railway Company through ownership of its entire capital stock, and its operations were included in those of the latter. The property of the Willmar & Sioux Falls Railroad Company was formally consolidated into that of the Great Northern Railway Company in 1907.

These bonds sold in 1902 on a 3.70 to 3.75 basis

1903	4.20
1904	4.05
1905	3.85
1906	4.12
1909	4.02 to 4.08
1910	4.25 (bid)
1911	4.20 to 4.23
December, 1912	4.45 (bid)

These bonds are considered a legal investment for savings banks in New England.

MINNEAPOLIS UNION RAILWAY

First Mortgage 5s and 6s

Dated March 1, 1882

Maturing July 1, 1922

Interest payable January 1 and July 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding (5s) \$650,000
(6s) 2,150,000

Provisions of issue: Under the indenture of the Great Northern First & Refunding 4 $\frac{1}{4}$ s of 1961, this mortgage is closed.

Security: The above bonds are secured by a first mortgage on 2.6 miles of double track and 4.75 miles of sidings extending from the Union Stock Yards to the Union Depot in Minneapolis, including the bridge across the Mississippi River and the Union Depot of Minneapolis.

These bonds are ASSUMED by the Great Northern Railway Company.

Equity: The above bonds are prior in lien to the St. Paul, Minneapolis & Manitoba Consolidated bonds of 1933 and also prior to the Great Northern First & Refunding 4 $\frac{1}{4}$ s of 1961, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

The Minneapolis Union Railway Company was organized under the laws of the State of Minnesota, November 28, 1881. It opened the bridge over the Mississippi River, September 1, 1884. The business of the company was to supply terminal facilities to other companies. The property, which was consolidated into the Great Northern System in 1907, is now used by the Great Northern Railway, the Northern Pacific Railway Company, the Chicago, St. Paul, Minneapolis & Omaha Railway, the Chicago, Burlington & Quincy Railway and the Wisconsin Central Lines.

The First 6s of 1922 were sold in 1905 on a 4.05 to 4.10 basis

1909	4.27	
1910	4.40	4.60
1911	4.10	4.35
1912	4.05	4.25

These bonds are considered a legal investment for savings banks in New England except Connecticut.

SPOKANE FALLS & NORTHERN RAILWAY

First Mortgage 6s

Dated July 1, 1889

Maturing July 1, 1939

Interest payable January 1 and July 1 at 32 Nassau Street, New York City.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000 per mile

Outstanding \$229,000

Per mile . . . 21,400

Provisions of issue: The total amount of these bonds issued was \$2,812,000, of which \$2,583,000 are held by the trustees of the Great Northern First & Refunding 4½s of 1961, under the terms of whose mortgage no more of these bonds may be issued.

Security: The above bonds are secured by a first mortgage on 130.14 miles of the company's road including the line from Dean, Wash., to the International Boundary Line, 125.8 miles.

These bonds have been ASSUMED by the Great Northern Railway Company.

Equity: The above bonds are prior in lien to the Great Northern First & Refunding 4½s of 1961, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Manhattan Trust Company, New York.

The Spokane Falls & Northern Railway Company was chartered April 14, 1888, and its road was opened throughout on June 26, 1893. Up to the time that it was formally merged into the Great Northern Railway System in 1907, the latter controlled the Spokane Falls & Northern Railway Company through ownership of its entire capital stock and the total issue of bonds.

These bonds quoted in 1905 on a 4.25 basis

1909	4.95
1910	5.15
1911	5.30
December, 1912	5.40

These bonds are considered a legal investment for savings banks in New England.

THE GREAT NORTHERN RAILWAY

First & Refunding Mortgage Gold 4¹/₄s

Dated May 1, 1911

Maturing July 1, 1961

Interest payable January 1 and July 1 at 32 Nassau Street, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples. Coupon and registered bonds interchangeable.

Authorized \$600,000,000

Outstanding \$35,000,000

Provisions of issue: To date but \$45,000,000 of these bonds have been issued, \$10,000,000 being in the treasury of the company, and the balance outstanding as above. Those unissued have been reserved as follows:

\$332,162,000 to refund prior mortgage bonds and the Northern Pacific-Great Northern C. B. & Q. 4% Collateral Joint bonds.

100,000,000 to cover cost of construction and acquiring additional railways and equipment, and for additions and betterments at not exceeding \$3,000,000 per annum.

92,838,000 to cover cost of acquisition after January 1, 1912, of the bonds and stock of other companies.

30,000,000 to cover the cost of property acquired after May 1, 1911, for the acquisition of which bonds are not otherwise authorized in this mortgage.

Security: The above bonds are secured by a first lien on the equipment owned by the company, costing \$46,200,068; on 2,070.46 miles of main and branch line railway within the United States belonging to the company; and through deposit with the trustee, of the entire share capital (except directors' shares) of proprietary companies, on 13.05 miles of additional railway in the United States and on 553.74 miles of railway in Canada with its equipment. Subject to the lien of underlying mortgages at an average rate of \$22,822 per mile, these bonds are also a lien on 4,791.42 miles of railway with its equipment.

Redemption: The above bonds are redeemable at 105 and interest after January 1, 1941, upon 90 days' notice.

Trustee: Bankers' Trust Company, New York.

These bonds sold in 1911 on a 4.20 to 4.25 basis
1912 4.15 4.25

These bonds are considered a legal investment for savings banks in Maine, Vermont, Massachusetts and Rhode Island.

ILLINOIS CENTRAL RAILROAD COMPANY

ILLINOIS CENTRAL RAILROAD COMPANY

HISTORY

In January, 1850, a bill was introduced in Congress providing for a grant to the State of Illinois of public land to the extent of 3,840 acres per mile to aid in the construction of a railroad north and south from Cairo to Chicago. Shortly after this bill was approved, the Illinois Central Railroad Company was organized and petitioned the Legislature of Illinois for authority to build the road. Its charter was granted February 10, 1851, and the company at once set vigorously to work to carry out its undertaking. The first engineering party was organized in the following May, and by the end of the year the entire line had been surveyed. The first contract was let March 15, 1852, and the first portion of the main line was opened for traffic May 24, 1852. The entire road, then 705.05 miles, was completed and put into operation September 27, 1856.

The act of incorporation of the Illinois Central Railroad Company surrendered to the latter all the property acquired by the state to construct a railroad, including the United States Government lands. The latter consisted of 2,595,000 acres situated along the line of the road. The charter exempts the company's property from taxation in the state, but in lieu thereof requires the payment to the latter of 7% of the gross receipts of the original railroad. The amount paid the State of Illinois under this provision, from the opening of the road in 1855 to the present time, is over \$30,000,000.

The Illinois Central Railroad owns practically the entire system which it operates. Only in the Dubuque & Sioux City Railroad Company may there be said to be minority interests not controlled by the former.

The first addition made to the system was through the lease of this same Dubuque & Sioux City Railroad on September 13, 1867. The Dubuque & Sioux City was a reorganization in 1860 of the Dubuque & Pacific Railroad Company which had been chartered in 1856 to construct a railroad from Dubuque to Sioux City, Ia. The Illinois Central lease was assumed for 20 years and a force was put to work to complete this road as originally planned. The line was opened for traffic on October 10, 1870, so that by the close of that year the Illinois Central owned and operated a continuous system of railroads extending from Chicago to Cairo and from Centralia to the Mississippi River at Dubuque and Sioux City on the Missouri River, a total of 1,112 miles.

In 1870 an organization known as the Southern Railroad Association was formed and acquired control of the numerous railroads in Louisiana and Mississippi. In the following year the Illinois Central managers conceived the idea of extending their system into the South, and realizing the value of the roads acquired by this association, entered into a traffic agreement with it. The connection between the Illinois Central and the Southern Lines was supplied by transfer steamers until 1887, when the Chicago, St. Louis & New Orleans Railroad, the company resulting from the amalgamation of these Southern Lines, built a bridge across the Ohio River. This bridge was opened for traffic October 29, 1889, and the river transfer was discontinued.

July 1, 1882, the Illinois Central took a four-hundred-year lease of the Chicago, St. Louis & New Orleans Railroad, assuming all the bonded and other obligations of that road and guaranteeing 4% per annum on its capital stock. In that same year construction was begun on the Yazoo & Mississippi River Valley Railroad, which in 1892 was consolidated with the Louisville, New Orleans & Texas Railroad, extending from Memphis, Tennessee, to New Orleans, and the two together were purchased by the Illinois Central Railroad Company.

To obtain an outlet to the north for business brought into Memphis over the lines of the Illinois Central and the Yazoo & Mississippi Valley Railroads, advantage was taken of the low prices prevailing after the panic of 1893 to purchase a controlling interest in the Chesapeake, Ohio & Southwestern Railroad Company. Later this interest was turned over to the Chicago, St. Louis & New Orleans Railroad and operated as one of its divisions.

For the purpose of gaining an independent entrance into St. Louis, the Illinois Central, in 1896, took a lease for 99 years of the railroads operated by the St. Louis, Alton & Terre Haute Company, known as the "Cairo Short Line," agreeing to assume all liabilities and guaranteeing dividends of 2¼% annually on its stock and 4.8% annually on the preferred stock of its subsidiary, the Belleville & Southern Illinois Railroad. The properties thus acquired now form the St. Louis division of the Illinois Central.

The line from Springfield to East St. Louis, Illinois, formerly a part of the St. Louis, Peoria & Northern Railway, was purchased October 1, 1900. During the next three or four years many small roads were purchased and absorbed. The Memphis & State Line Railroad was purchased June 30, 1908, and in November of that same year the stocks and bonds of the Kentucky Valley Railroad were taken over.

By far the most important acquisition made by the Illinois Central in the decade ending 1911, was the purchase of the capital stock of the Central of Georgia Railroad Company, in 1909. In June, 1907, this stock, which had been held by the Richmond Terminal Reorganization Committee since 1896, was sold to certain railroad financiers who turned it over to Mr. Harriman of the Union Pacific Railroad Company. This stock was later acquired by the Illinois Central Railroad and formally transferred to that company in 1909, at a cost of \$3,474,279.

Beginning July 1, 1911, the property of the Indianapolis Southern Railroad Company was operated as a part of the Indiana Division of the Illinois Central. The former had been chartered in September, 1899, under the laws of Indiana, to construct a road from Indianapolis to Sullivan, Indiana, 100 miles. Through various acquisitions the company's mileage had grown to nearly 200 miles by 1911. In May of that year the property was sold under foreclosure and purchased by the Illinois Central Railroad Company.

The Illinois Central, from its organization, had enjoyed an exceptional degree of independence until the formation of the Railroad Securities Company in 1900. This company was created originally in the interests of the Illinois Central, and owned among its assets \$8,000,000 of the Illinois Central stock. Later the Railroad Securities Company came under the control of the Union Pacific Railroad Company, and the two by 1906 had practically gained control of the Illinois Central. On June 30, 1911, the Railroad Securities Company owned \$9,200,000 of the Illinois Central stock, and the Union Pacific owned \$22,500,000.

PROPERTY

On June 30, 1912, the Illinois Central Railroad Company reported the following miles of main track in operation:

Charter lines owned	705.50 miles
Purchased lines owned	1,561.42
Proprietary lines (stock controlled by I. C.)	2,279.16
Operated by joint agreement, leases, trackage rights, etc.	223.33
Total miles of main track	4,769.41

An average of 4,762.70 miles was under operation during the fiscal year 1912.

The Illinois Central is the great north and south line of the Mississippi Valley. Its main lines

connect Chicago and New Orleans at practically water level, entering the latter over the tracks of the Illinois Central and the Yazoo & Mississippi Valley Railroad.

Several important branches are included in the system, one from Chicago westerly to Omaha and Sioux Falls, another from Springfield easterly to Indianapolis over the Indianapolis Southern Railroad, and still another easterly from Cairo, Kentucky, to Louisville. Trackage rights from Jackson, Tennessee, open up Birmingham, Alabama, to the Illinois System, and it is at that point that the latter connects with the Central of Georgia Railway, whose system covers the Central South, with lines from Chattanooga via Macon to Savannah on the coast, and branches to Montgomery, Alabama, via Columbus, also northerly from Macon to Atlanta, Athens, and Augusta, covering the cotton belt and reaching into the coal regions of Alabama and Georgia.

The Illinois Central Railroad System serves the States of Illinois, Iowa, Indiana, Tennessee and Mississippi. The combined population of these States, in 1890, was 10,987,000, in 1900, 13,132,000, and in 1910, 14,546,000.

CAPITALIZATION

The capitalization of the Illinois Central for the fiscal year ending June 30, 1912, was as follows:

Capital stock	\$109,296,000
Leased line stock	9,989,700
	<hr/>
Funded debt	\$119,285,700
	185,736,000
	<hr/>
Nominal capital	\$305,021,700
Rentals capitalized @ 5%	30,734,000
	<hr/>
Gross capitalization	\$335,755,700
Securities owned	83,205,491
	<hr/>
Net capitalization	\$252,550,209
	<hr/>
Net capitalization per mile operated	\$53.024
Average miles operated	4,762.70
Net income to net capital	6.3%
Fixed charges to net income	78.3%
Margin of safety	21.7%

In the above table the leased line stock represents the outstanding stock issued in exchange for an equal amount of Chicago, St. Louis & New Orleans stock, and secured by the deposit in trust of the latter. Its dividends of 4% are guaranteed and in case of default for 60 days, the owners of the leased line stock would be entitled to the return of the Chicago, St. Louis & New Orleans stock thus pledged.

The rentals, which have been capitalized at 5%, include the interest on the bonds of the Chicago, St. Louis & New Orleans Railroad Company, and the net interest paid as rental on the Dubuque & Sioux City Railroad. In 1912 these items amounted to \$1,536,708.

During the fiscal year 1912 there were no changes in the capital stock of the company. There was one minor issue of bonds during the year, \$1,800,000, being the balance of the company's \$10,000,000 authorized Refunding Mortgage Bonds. There were, however, \$2,000,000 of the First Lien Equipment 4s of 1923 and \$1,515,000 additional bonds delivered to the trustee and cancelled, leaving a net decrease in the company's funded debt of \$1,715,000.

The company's net capitalization per mile in 1912 was \$53.024 as compared with \$56.795 in 1911.

The decrease in this figure is, in part, accounted for by the fact that 200 additional miles were operated during the year. The Illinois Central earned a net income of 6.3% on its net capitalization in 1912 as compared with 9.2% in 1911.

The average net capitalization per mile of road operated, figured from the company's annual reports for ten years ending June 30, 1912, was \$49,035, upon which an average net income of 8.9% was earned. Comparing this record with that of the Louisville & Nashville, a road operating under similar conditions, we find a capitalization figure for the same period of \$39,658. Upon this average capitalization, however, the Louisville & Nashville was able to earn but 9.1%.

Since 1900 there have been various increases in the capital stock and funded debt of the company. That these increases were justified by the earning capacity of the road can best be shown by the following table:

Year	Capital stock	Funded debt	Total	Gross earnings
1900	\$60,000,000	\$120,873,925	\$180,873,925	\$32,611,967
1912	109,296,000	185,736,000	295,032,000	58,727,272
	Increase		\$114,158,075	\$26,115,305
	Per cent		63%	80%

While the nominal capital of the Illinois Central increased 63%, gross earnings increased over \$26,000,000, or 80%. The most important increases in capital stock came in the year 1901-1902, when it was nearly doubled, and in 1908, when 285,120 shares of new stock were authorized, the increase being for the purpose of paying for, constructing and improving the lines of the company. In 1904 and 1909 came the larger part of the increase in funded debt, due to the issue of Purchase Line Bonds [distributed over about 750 miles of added track] and Refunding Mortgage 4s (which see).

The capital stock outstanding amounts to considerably less than half the estimated net capitalization, but the credit of the Illinois Central is high. Even after large maintenance charges, fixed charges consumed 78% of the company's total net income, leaving a margin of safety for the interest on its underlying securities of nearly 22%.

CHARACTER OF TRAFFIC

Measured by the volume of earnings, the Illinois Central's freight business amounts to about two-thirds of the total. No indication as to the character of its traffic was given by the company until 1911, when its report showed the following classification of freight:

Products of	1912	1911	1910
Agriculture	18.9%	18.1%	17.8%
Animals	2.9	2.8	2.5
Mines	38.1	35.1	36.7
Forests	15.9	16.9	18.0
Manufactures	8.2	8.3	9.8
Miscellaneous	16.0	18.8	15.2
	100.0%	100.0%	100.0%

It will be noted that 75% of the company's freight traffic is made up of low grade commodities, such as grain, coal and lumber. This fact has affected the average rate per ton per mile, keeping it down to \$.0059 for the decade ending 1912.

Following are some of the more important freight statistics of the Illinois Central for the six years ending 1912:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	1,508,206	363	\$38,033,270	\$.0058
1908	1,366,186	351	35,357,811	.0058
1909	1,328,963	355	36,003,897	.0059
1910	1,445,998	364	38,777,758	.0059
1911	1,464,482	361	40,682,197	.0061
1912	1,303,979	356	37,881,766	.0061

The average number of tons of revenue freight carried per train in 1902 was but 280. In 1907 the average had climbed to 363. With the exception of a nominal setback in 1908 and 1909, this figure has been maintained up to the present time, showing the generally high standard of operating efficiency during the period. Freight earnings in 1911 were the highest ever reported. They increased nearly 15% from the low figure of the period, while the average rate per ton increased 5% during the same time. Freight earnings declined \$2,800,000 during 1912 owing to a severe winter and the floods in the spring on the southern lines, which seriously interrupted traffic.

Comparing the average freight density and the average train load tons of the Illinois Central for the decade ending 1912, with those of the Louisville & Nashville Railroad and the Rock Island Lines, we find the Illinois Central excelling both of its freight competitors in these respects:

For ten years ending 1912	Average freight density	Average train load tons
Illinois Central	1,350,600	340
Louisville & Nashville	1,006,030	249
Rock Island Lines	513,365	248

Nearly 20% of the company's business is represented by its passenger traffic. Tabulated below are the passenger densities, earnings and passenger rates per mile of the Illinois Central since 1906:

Year	Passenger density	Passenger earnings	Average rate per passenger per mile
1907	130,396	\$11,187,533	\$.0196
1908	133,891	10,991,798	.0185
1909	130,125	10,865,359	.0183
1910	142,916	11,881,013	.0182
1911	153,294	12,925,004	.0184
1912	148,990	13,337,562	.0188

The number of passengers carried one mile per mile of road operated was but 93,851 in 1902, as compared with 153,294 in 1911, a gain for the decade of 63%. In 1910 the passenger density increased 9.8% over the figures reported in 1909, while the gain in revenue from that source amounted to 9.3%.

The sharp decline in 1908 in the rate per passenger per mile was due to the reduction of fares from three to two cents, forced upon railroads operating in Illinois and Iowa. A fractional gain in this rate in 1911, together with a substantial increase in the number of passengers carried one mile per mile of road, resulted in the largest gross passenger earnings ever reported. In spite of the decline in passenger density this figure was bettered in 1912 as the result of a substantially higher average rate.

EARNINGS

During the six years ending 1912, the Illinois Central has reported gross and net earnings as follows:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907 . .	4,370	\$56,610,633	\$12,954	\$18,762,926	\$4,296	66.9
1908 . .	4,420	52,830,426	11,951	14,936,948	3,379	71.7
1909 . .	4,547	53,672,336	11,804	15,256,697	3,355	71.5
1910 . .	4,550	57,884,721	12,720	14,563,990	3,200	74.8
1911 . .	4,563	60,977,031	13,362	17,120,803	3,751	71.9
1912 . .	4,763	58,727,272	12,329	10,605,805	2,227	81.9

The general business depression of 1907 and 1908 was reflected in the gross earnings of the Illinois Central. For the fiscal year of 1908, gross earnings declined 6.7%, and in spite of transportation economies and every effort to curtail expense, operating costs, as a whole, increased 2%, bringing about a decline in net earnings of over \$3,800,000. The company's operating ratio — the ratio of expenses to earnings — increased from 66.9% to 71.7%. This ratio has never been under 71% since that time. In fact, in 1910 it was up to 74.8%, declining in 1911 to 71.9%. This generally higher ratio of expenses to earnings can be traced to increased cost of transportation beginning in 1908, when for every hundred dollars in revenue it cost \$41.30 for transportation alone.

In 1910, while gross earnings increased \$4,200,000, operating expenses were increased \$5,000,000, due to a large increase in maintenance costs, bringing about a decline in net earnings of nearly 5%. During the fiscal year 1911 the total revenue from operation was the highest in the history of the company, being over \$3,000,000 better than the gross revenues reported in 1910. Most of this was saved for net, but even the 1911 net earnings were nearly 9% lower than those of 1907, which is still a high-water mark in that item.

During the fiscal year 1912 the Illinois Central suffered about equally from decreased gross earnings and higher operating costs, producing an operating ratio for the year of 81.9%, an extremely high figure. The ratio of conducting transportation to gross earnings increased from 39.4% in 1911 to 45.3% in 1912. Abnormal expenses were encountered, bringing the operating ratio in some months as high as 85%, the principal reason being the strike of the shopmen. This strike began on September 30, 1911, and for several months caused great inconvenience to the company and its patrons. This, together with floods in the spring on the Southern lines, measurably increased the expense of maintaining and operating the railroad. As a result of this decline in gross and net earnings, the company was able to show but 3.1% earned on its capital stock, after the payment of fixed charges. This compares with 10.3% earned in 1911.

MAINTENANCE

The Illinois Central has spent the following amounts for maintenance since 1906:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$6,851,450	\$9,596,007	\$16,447,457	\$3,762
1908	6,758,173	9,310,136	16,068,309	3,635
1909	6,196,287	11,265,627	17,461,914	3,841
1910	7,607,891	13,502,250	21,110,141	4,639
1911	7,523,295	12,317,364	19,840,659	4,348
1912	7,691,214	13,857,549	21,548,763	4,523

The large amounts spent for maintenance of equipment in 1910, together with the tendency of the same to increase since 1907, were brought under investigation, which led to the discovery that the company was being defrauded of large sums for work done in repairing locomotives and cars in outside shops. It was found, too, that part of the 1909 repair expenses was unpaid, being included in the 1910 figures. This leak was immediately stopped, as was shown by the reduction in that item in 1911. The increase during the fiscal year 1912 was due to extraordinary expenses incurred during the strike of the shopmen in the fall of 1911.

The Illinois Central's per mile figures compare favorably with those of the Louisville & Nashville and Rock Island Lines. During the ten years ending 1912 the three roads have averaged an expenditure per mile for maintenance of the following amounts:

Illinois Central	\$3,705
Louisville & Nashville	3,500
Rock Island System	1,973

Each reported an average traffic density for the period of 1,481,240, 1,104,750, and 613,602 respectively.

ADDITIONS AND BETTERMENTS

In the five years ending June 30, 1912, the Illinois Central charged to capital over \$20,000,000 for additions and betterments to road and equipment as follows:

Year	Road	Equipment	Total
1908	\$1,542,858	\$5,796,837	\$7,339,695
1909	1,435,276	. . . . .	1,435,276
1910	1,229,252	327,381	1,556,633
1911	2,101,140	1,315,681	3,416,821*
1912	5,006,541	1,771,993	6,778,534*
Total for five years			\$20,526,959
Average for one year			4,105,390

Beside this the following amounts have been appropriated from the earnings of the Illinois Central Railroad Company for additions and betterments for the decade ending 1912:

Year	Amount	Year	Amount
1902	\$4,340,172	1908	\$1,046,963
1903	4,881,253	1909	232,267
1904	2,579,329	1910 . . . . .	. . . . .
1905	1,683,886	1911	164,847
1906	4,164,739	1912	61,481
1907	3,987,934		

DIVIDENDS

Since 1863 the Illinois Central has paid dividends continuously. It paid 8% through the depression of the early '70s, and 5% every year in the decade beginning 1890. In 1905 it began to pay 7% on its outstanding stock and has continued this rate up to the present time.

Dividends in 1912 were paid from Profit and Loss. Dividend requirements were \$7,650,720,

* Including betterments to subsidiary lines.

while the company's income sheet showed a surplus available for the same of but \$3,466,448. The company felt entirely justified in maintaining the 7% dividend rate in spite of this unsatisfactory showing, because it was felt that the earning difficulties through which it had passed were but temporary, and that the fiscal year of 1913 would find the company earning its normal amount.

The company reported on June 30, 1912, a Profit and Loss of \$2,768,366, which, together with an appropriated surplus of \$2,312,588, was equivalent to 4.7% on its outstanding capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Illinois Central Railroad, based on the average miles operated for the year 1900 and for the years 1905 to 1912 inclusive.

In the following tables, in "Funded debt," are included the bonds of the Illinois Central, the Chicago, St. Louis & New Orleans Railroad to 1911. In 1911 and 1912 the bonds of the Illinois Central are used alone. "Rentals" include the net rentals of the Dubuque & Sioux City Railroad up to 1911. In 1911 and 1912 rentals include both net rentals of Dubuque & Sioux City Railroad, and those paid on the Chicago, St. Louis & New Orleans Railroad obligations.

ILLINOIS CENTRAL RAILROAD

Fiscal year	Capital stock	Leased lines stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$15,604	\$2,600	\$31,437	\$3,842	\$53,483	\$11,007	\$42,476	3,845	248
1905	21,728	2,286	32,892	3,357	60,263	12,531	47,732	4,374	740
1906	21,460	2,260	32,752	5,638	62,130	13,633	48,497	4,424	750
1907	21,748	2,288	33,421	5,962	63,420	15,013	48,406	4,370	751
1908	21,502	2,262	33,831	3,313	66,908	21,119	45,789	4,420	785
1909	24,036	2,199	43,117	4,523	73,875	21,101	52,776	4,547	783
1910	24,021	2,197	43,088	1,985	71,292	21,148	50,144	4,550	790
1911	23,952	2,189	41,080	9,402	76,623	19,828	56,795	4,563	792
1912	22,946	2,097	38,996	6,433	70,492	17,469	53,024	4,763	932

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$8,481	\$1,448	\$955	\$3,156	\$2,921	\$635	\$3,556	\$2,059	\$1,497
1905	11,319	1,394	1,784	4,386	3,755	631	4,386	2,069	2,317
1906	11,672	1,549	1,741	4,462	3,920	736	4,656	2,199	2,457
1907	12,954	1,567	2,195	4,896	4,206	645	4,941	2,264	2,677
1908	11,951	1,529	2,106	4,937	3,379	685	4,064	2,255	1,809
1909	11,804	1,363	2,478	4,608	3,355	958	4,313	2,514	1,799
1910	12,720	1,672	2,967	4,881	3,200	1,161	4,361	2,641	1,720
1911	13,362	1,649	2,699	5,263	3,751	1,477	5,228	2,749	2,479
1912	12,329	1,614	2,909	5,579	2,227	1,134	3,361	2,633	728

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$858	\$628	\$11	65.5%	28.3%	37.3%	24.2%	15.8%	8.4%	9.6%
1905	1,590	786	11	66.8	28.1	38.7	18.2	19.2	9.2	10.7
1906	1,503	941	13	66.4	28.2	38.2	18.8	18.7	9.6	11.4
1907	1,522	912	243	66.9	29.1	37.8	17.4	20.5	10.2	12.3
1908	1,504	236	69	71.7	30.4	41.3	18.8	17.8	8.9	8.3
1909	1,682	51	66	71.5	32.5	39.0	21.3	15.9	8.2	7.5
1910	1,681	..	39	74.8	36.4	38.4	20.7	17.8	8.7	7.1
1911	1,676	36	767	71.9	32.5	39.4	20.5	17.4	9.2	10.3
1912	1,606	13	891*	81.9	36.6	45.3	21.3	17.4	6.3	3.1

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.29	\$.221	\$.146	\$.482	\$.44	\$.0202	\$.0065	890,974	208	68%	34,106
1905	1.73	.213	.279	.670	.57	.0184	.0059	1,270,977	319	66	37,331
1906	1.78	.236	.265	.679	.60	.0195	.0055	1,408,403	353	67	39,066
1907	1.87	.226	.317	.708	.62	.0196	.0058	1,508,206	363	67	60,836
1908	1.83	.233	.322	.756	.52	.0185	.0058	1,366,186	351	67	64,850
1909	1.85	.214	.389	.723	.52	.0183	.0059	1,328,963	355	67	63,912
1910	1.88	.247	.439	.722	.47	.0182	.0059	1,445,998	364	67	63,150
1911	1.94	.259	.392	.765	.54	.0184	.0061	1,464,482	361	67	61,353
1912	1.89	.245	.445	.854	.35	.0188	.0061	1,303,979	356	65	58,806

* Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Illinois Central Railroad System, together with the bases on which they have sold during the decade ending December 31, 1912:

ILLINOIS CENTRAL RAILROAD

First Mortgage Gold 4s*

Dated April 1, 1875

Maturing April 1, 1951

Interest payable April 1 and October 1 at London, England.

Coupon bonds of £200.

Authorized \$2,500,000

Outstanding \$2,500,000

First Mortgage Gold 3½[†]

Dated February 16, 1876

Maturing December 1, 1950

Interest payable June 1 and December 1 at London, England.

Coupon bonds of £200.

Authorized \$1,000,000

Outstanding \$1,000,000

First Mortgage Gold 4s

Dated January 1, 1886

Maturing January 1, 1951

Interest payable January 1 and July 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$1,500,000

Outstanding \$1,500,000

These bonds sold in 1902 on a 3.32 to 3.43 basis

1903	3.40	3.48
1904	3.35	3.45
1905	3.50	3.57
1906	3.57	
1907	3.85	4.15
1908	3.85	3.95
1909	3.70	3.90
1910	3.72	3.80
1911	3.85	4.00
1912	3.80	4.00

First Mortgage Gold 3½^s

Dated January 1, 1886

Maturing January 1, 1951

Interest payable January 1 and July 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$2,500,000

Outstanding \$2,499,000

These bonds sold in 1902 on a 3.27 to 3.32 basis

1903	3.40	3.52
1905	3.37	3.40
1906	3.52	3.70
1907	3.47	4.05
1908	3.77	3.90
1909	3.75	3.95
1910	3.88	4.02
1911	3.95	4.05
December, 1912	4.10	

* These bonds were originally issued as 6s to mature in 1895, but were extended to 1951, and reduced from 6s to 4s.

† These bonds were originally issued as 5s to mature in 1905, but were extended to 1950, and reduced from 5s to 3½^s.

First Mortgage Sterling 3s

Dated August 31, 1895

Maturing March 1, 1951

Interest payable March 1 and September 1 at London, England.

Coupon bonds of £200, registerable as to principal or fully registerable.

Authorized \$2,500,000

Outstanding \$2,500,000

These bonds sold in 1909 on a 3.70 basis (bid)

1910 3.61

1911 3.88 (bid)

December, 1912 4.00 (bid)

First Mortgage Gold 3½s*

Dated March 30, 1903

Maturing April 1, 1951

Interest payable April 1 and October 1 at New York and London.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$3,000,000

Outstanding \$3,000,000

Provisions of issue: The company agrees that the above bonds shall neither be extended nor renewed. No further bonds may be issued, under the terms of the Refunding Mortgage 4s of 1955, a sufficient number of which have been reserved to retire the above issues.

Security: The above issues, to the amount of \$15,000,000, are secured by a mortgage dated August 10, 1874. This mortgage was confirmed to the amount of \$13,442,000 by an instrument of "Further Assurance," dated January 16, 1896. They are secured by a direct first mortgage on 705.50 miles of the company's main line, extending from Chicago to Cairo, Ill., a distance of 364.73 miles, and from Centralia Junction to East Dubuque, Ill., a distance of 340.77 miles. They are also secured by a first mortgage on land, buildings, equipment, etc.

Equity: These issues are prior in lien to the Illinois Central Collateral Trust 3½s of 1950; also to the Refunding Mortgage 4s of 1955, as mentioned above.

Trustee: United States Trust Company, New York.

These issues are considered legal investments for savings banks in New England.

* These bonds were originally issued as Sterling 5s, but were changed to Gold 3½s.

ILLINOIS CENTRAL RAILROAD

Refunding Mortgage 4s

Dated November 1, 1908

Maturing November 1, 1955

Interest payable May 1 and November 1, at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples. Coupon and registered bonds interchangeable.

Authorized \$120,000,000

Outstanding \$32,740,000

Per mile . . . 14,940

Provisions of issue: Of the amount authorized, \$32,740,000 are in the hands of the public as above, \$59,026,000 are reserved to retire prior liens, and \$28,234,000 are reserved, under restrictions, for construction, improvements and maintenance, and for funding purposes.

Security: The above bonds are secured by a direct mortgage on 2,191.49 miles of the company's road, and on buildings, lands and yards, terminals in Chicago, equipment, and future acquisitions. They are secured by a *first* mortgage on 179.53 miles, including the 176.93 miles from Indianapolis, Ind., to Effingham, Ill., and the Bloomington Branch. They are secured by a *second* mortgage on 879.36 miles which are covered by the following first mortgages: Springfield Division 3½s of 1951; St. Louis Division & Terminal 3½s of 1951; Purchase Lines 3½s of 1952; Cairo Bridge 4s of 1950; and the Chicago, Havana & Western 5s of 1952 and Rantoul 5s of 1952, both of which are deposited under the Illinois Central Collateral Trust 4s of 1952. They are secured by a *third* mortgage on 1,101.61 miles which are covered by the following first mortgages: Illinois Central 3s, 3½s and 4s of 1950 and 1951; Belleville & Carondelet 6s of 1923; Carbondale & Shawneetown 4s of 1932; Kankakee & Southwestern 5s of 1921; and the Chicago, Madison & Northern 5s of 1935 which are deposited under the Collateral Trust 4s of 1952. They are secured by a *fourth* mortgage on 30.99 miles covered by the first mortgage of the St. Louis Southern 4s of 1931.

The company covenants in this indenture that it will not extend or renew any of the above prior liens with the exception of the Chicago, Madison & Northern 5s of 1935, the Chicago, Havana & Western 5s of 1952 and the Rantoul 5s of 1952, which may be extended or renewed so as to mature not later than April 2, 1952; and also agrees not to issue or reissue any bonds of the above prior liens, except the Purchase Lines First 3½s of 1952, and the St. Louis Division & Terminal First 3s and 3½s of 1951, which may be issued for the purposes for which they are reserved.

Redemption: These bonds are redeemable as a whole, but not in part, at 107½% and interest, on November 1, 1918, or any interest day thereafter, upon thirteen weeks' notice.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1908 on a 3.97 to 4.02 basis

1909	3.95	4.05
1910	4.02	4.20
1911	4.10	4.20
1912	4.15	4.35

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Louisville, New Orleans & Texas Railway Collateral Trust 4s

Dated September 1, 1892

Maturing November 1, 1953

Interest payable May 1 and November 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000 and \$500, registerable as to principal or fully registerable.
Registered bonds of \$1,000 and \$500.

Authorized \$25,000,000

Outstanding \$25,000,000
Per mile . . . 31,330

Security: These bonds are secured by deposit with the trustee of (1) \$16,832,000 (the entire issue outstanding) Louisville, New Orleans & Texas Railway 4s of 1934, which are secured by a first mortgage on 798 miles of road; (2) \$9,104,000 (the entire issue outstanding) Louisville, New Orleans & Texas Railway 5s of 1934, which are secured by a second mortgage on the same mileage; (3) \$6,553,277 Louisville, New Orleans & Texas Land Grant 6s of 1934, which are secured by a first mortgage on lands in Mississippi not required in the operation of the road.

In its indenture the Illinois Central Railroad Company agrees to deposit with the trustee of this issue any additional bonds of the Louisville, New Orleans & Texas Railway which shall be acquired. It further agrees that if the land, which secures the Land Grant Bonds deposited as collateral under this issue, is sold, the latter may be redeemed and cancelled by the proceeds of such sales, and the proceeds may be employed by the Illinois Central Railroad Company for additions and betterments to railroad property mortgaged to secure the above Collateral Trust 4s.

Trustee: United States Trust Company, New York.

The Louisville, New Orleans & Texas Railway was chartered under the laws of the State of Illinois August 12, 1884, as the result of a consolidation of the following companies, — the New Orleans & Mississippi Valley Railroad, the New Orleans, Baton Rouge, Vicksburgh & Memphis Railroad, the Memphis & Vicksburgh Railroad, and the Tennessee Southern Railroad. In November, 1884, the main line of the road was opened for traffic. In 1892 the Illinois Central Railroad Company purchased control of the company for \$5,000,000 cash and \$20,000,000 4% bonds secured by pledge of the purchased securities. That same year the road was merged into the Yazoo & Mississippi Valley Railroad under the name of the latter.

These bonds sold in 1902 on a 3.65 to 3.88 basis

1903	3.70	3.95
1904	3.74	3.90
1905	3.70	3.85
1906	3.70	3.95
1907	3.85	4.20
1908	3.90	4.05
1909	3.90	4.05
1910	3.95	4.15
1911	4.05	4.25
1912	4.00	4.25

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Louisville Division and Terminal First Mortgage 3½s

Dated September 15, 1897

Maturing July 1, 1953.

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal only, or fully registerable.

Authorized \$25,000,000

Outstanding \$23,888,000

Per mile . . . 39,950

Provisions of issue: Of the amount authorized, \$23,888,000 are outstanding as above, and the balance, \$1,112,000, have been reserved to acquire the Cecilia Branch, free from encumbrances.

Security: These bonds are secured by a joint indenture and purchase money mortgage executed by the Chicago, St. Louis & New Orleans Railroad and the Illinois Central Railroad, and also by a mortgage dated June 28, 1898. They are secured by a first mortgage on 598.05 miles of road, including the line from Memphis, Tenn., to Hodgenville, Ky., 36½ miles. They are further secured by a first mortgage on the elevated railroad in Louisville, Ky., and the terminal properties in Louisville, Owensboro, Paducah, Evansville, Ind., and Memphis. Included in the mortgage are the equipment of the road in question, and future acquisitions.

Trustee: United States Trust Company, New York.

The above mileage covered by the first mortgage of this issue is that of the Chicago, St. Louis & New Orleans Railroad, which is operated by the Illinois Central Railroad Company under a four-hundred-year lease at a rental equal to the interest on the former's bonds, taxes, and a 4% guarantee on its capital stock.

The bonds sold in 1902 on a 3.45 to 3.55 basis

1903	3.55	3.88
1904	3.63	3.80
1905	3.67	3.75
1906	3.75	3.89
1907	4.00	4.05
1908	3.95	4.25
1909	3.88	4.10
1910	4.05	4.15
1911	4.15	4.27
1912	4.15	4.30

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Collateral Trust 4s

Dated March 31, 1888

Maturing April 1, 1952

Interest payable April 1 and October 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$500 and \$1,000 or their equivalent in pounds sterling.

Registerable as to principal or fully registerable.

Registered bonds of \$1,000 or equivalent in pounds sterling.

Authorized \$15,000,000

Outstanding \$15,000,000

Per mile . . . 17,380

Security: The above bonds are secured by a first collateral lien on seven issues of first mortgage bonds, aggregating \$16,350,000, and are in effect a first mortgage thereby on 863.03 miles of road. The collateral behind this issue is as follows:

\$1,750,000 Canton, Aberdeen & Nashville First 5s.

2,800,000 Yazoo & Mississippi Valley First 5s

2,500,000 Chicago, Havana & Western First 5s.

1,000,000 Rantoul Railroad First 5s.

830,000 Cedar Rapids & Chicago First 5s.

3,100,000 Cherokee & Dakota First 5s.

4,370,000 Chicago, Madison & Northern First 5s.

All the above bonds thus deposited with the trustee are prior in lien to the Illinois Central Refunding 4s of 1955, a sufficient number of which have been reserved to retire these at maturity. They are closed mortgages.

Trustee: United States Trust Company, New York.

These bonds sold in 1902 on a 3.70 to 3.80 basis

1903	3.80	4.00
1904	3.73	3.88
1905	3.63	3.77
1906	3.65	3.95
1907	3.88	4.15
1908	3.90	4.15
1909	3.88	4.05
1910	3.96	4.12
1911	4.05	4.10
1912	4.00	4.12

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Purchase Lines First Mortgage 3½s

Dated June 30, 1904

Maturing July 1, 1952

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples.

Authorized \$20,000,000

Outstanding \$12,000,000

Per mile . . . 16,040

Provisions of issue: Of the amount authorized, \$12,000,000 are in the hands of the public and \$2,662,000 have been exchanged for Illinois Central 4s of 1955 and cancelled. The balance, \$5,388,000, has been reserved to retire underlying liens.

Security: The above bonds are secured by a direct mortgage on 748.36 miles of road, including its equipment, and all future acquisitions. They are secured by a first mortgage on 385.8 miles of road, including the line from Pekin to Evansville, Ill., and branches. They are secured by a second mortgage on 362.56 miles, covered by the first mortgages of the Kankakee and Southwestern First 5s of 1921 and the Chicago, Madison & Northern First 5s of 1935, the latter being all deposited under the Illinois Central Collateral Trust 4s of 1952.

Equity: These bonds are prior in lien to the Illinois Central Refunding 4s of 1955, a sufficient number of which have been reserved to retire these bonds.

Trustee: United States Trust Company, New York, and J. E. Williamson, Esq.

These bonds were sold in 1909 on a 4.10 basis

1910 4.15 to 4.25

1911 4.10 4 20

1912 4.20

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Springfield Division First Mortgage 3½s

Dated January 1, 1898

Maturing January 1, 1951

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile . . . 17,940

Security: The above bonds are secured by a first mortgage on all the property and franchises of the Chicago & Springfield Railroad, including the road from Gilman, Ill., to Springfield, 111.47 miles, and all branches, lands, buildings, equipment and income.

These bonds are secured by a joint indenture by the Illinois Central Railroad and the Chicago & Springfield Railroad Companies.

Equity: The above bonds are prior in lien to the Illinois Central Refunding 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of these bonds.

Trustee: United States Trust Company, New York.

The Chicago & Springfield Railroad Company conveyed its property by deed dated October 15, 1902, to the Illinois Central Railroad Company.

These bonds sold in 1909 on a 4.15 basis (bid)	
1910	4.87
1911	4.35 (bid)
1912	4.40

These bonds are considered a legal investment for savings banks in New England.

ILLINOIS CENTRAL RAILROAD

St. Louis Division & Terminal First Mortgage 3s and 3½s

Dated July 1, 1897

Maturing July 1, 1951

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Authorized (3s) \$5,000,000	Outstanding (3s)	\$4,998,000
(3½s) 10,000,000	(3½s)	8,377,000
	Per mile	56.000

Provisions of issue: Of the amount authorized, \$13,375,000 are outstanding as above, \$1,547,000 have been reserved to retire prior liens, and the balance, \$78,000, has been exchanged for Illinois Central Refunding 4s of 1955, and cancelled.

Security: The above bonds are secured by a direct mortgage on the 239.04 miles of road, the property of the St. Louis, Alton & Terre Haute Railroad, together with all its branches, lands, buildings, equipment, and franchises now owned or hereafter acquired. They are secured by a first mortgage on 175 miles, including the line from East St. Louis to Eldorado, Ill., 121 miles. They are further secured by a second mortgage on 33.55 miles of road covered by the first liens of the Belleville & Carondelet First 6s of 1923, and the Carbondale & Shawneetown First 4s of 1932, and a third mortgage on 30.99 miles covered by St. Louis Southern First 4s of 1931 and Second Income 5s of 1931.

Equity: These bonds are prior in lien to the Illinois Central Refunding 4s, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: United States Trust Company, New York.

The St. Louis, Alton & Terre Haute Railroad Company was chartered as the Terre Haute & Alton Railroad Company in Illinois in January, 1851, to build a railroad from Terre Haute to

Alton, Ill. Work was begun in 1852 and completed March 1, 1856. In 1860 the company became financially embarrassed and was sold under foreclosure to a new company formed under an act of the Illinois Legislature in February, 1861. The new company took charge in June, 1862. On June 1, 1867, the company's lines were leased for 999 years to the Indianapolis & St. Louis Railroad which became insolvent in 1878, and a new lease was granted to the reorganized company, known as the Indianapolis & St. Louis Railway Company.

By a deed dated February 14, 1904, the St. Louis, Alton & Terre Haute Railroad Company conveyed its property to the Illinois Central Railroad Company.

The 3s of 1951 sold in 1902 on a 3.55 basis		
1903	3.63	to 3.80
1904	3.63	3.97
1905	3.60	3.73
1906	3.80	3.95
1907	4.05	
1908	4.02	4.20
1909	4.10	(bid)
1910	4.27	
1911	4.27	
1912	4.30	

The 3½s of 1951 sold in 1902 on a 3.45 to 3.55 basis		
1903	3.05	3.88
1904	3.72	3.82
1905	3.67	3.85
1906	3.80	
1907	3.95	4.40
1908	3.95	4.60
1909	3.95	4.08
1910	4.05	
1911	4.15	4.22
1912	4.15	4.35

These bonds are considered a legal investment for savings banks in Maine, Massachusetts, New Hampshire, Vermont and Rhode Island.

KANKAKEE & SOUTHWESTERN RAILROAD

First Mortgage Currency 5s

Dated August 1, 1881

Maturing August 1, 1921

Interest payable February 1 and August 1 at the Company's office, 115 Broadway, New York.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$968,000
Per mile . . . 7,390

Provisions of issue: Under the terms of the mortgage of the Illinois Central Refunding 4s of 1955 no more of these bonds may be issued. A sufficient number of these Refunding 4s have been reserved to provide for the retirement of this issue.

- Security:** These bonds are secured by a first mortgage on the road of the Kankakee & Southwestern Railroad Company, 131.26 miles, together with all branches and extensions hereafter constructed, also lands, buildings, equipment now owned or hereafter acquired, and franchises and incomes.
- Equity:** These bonds are prior in lien to the Purchase Lines 3½s of 1952, as well as the Refunding 4s of 1955 mentioned above.
- Trustees:** The trustees of this issue at present named are L. V. F. Randolph, Esq., and Stuyvesant Fish, Esq.

The Kankakee & Southwestern Railroad Company conveyed its property to the Illinois Central Railroad Company by a deed dated October 15, 1902.

These bonds were quoted in 1909 on a 4.10 basis (bid)

1910	4.22
1911	4.37
December, 1912	4.70

These bonds are considered a legal investment for savings banks in New England.

ILLINOIS CENTRAL RAILROAD

Cairo Bridge Mortgage 4s

Dated June 1, 1892

Maturing December 1, 1950

Interest payable June 1 and December 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$3,000,000

Outstanding \$3,000 000

- Security:** These bonds are secured by a first mortgage on \$3 000,000 Chicago, St. Louis & New Orleans-Cairo Bridge First 5s (the entire issue), which makes them, in effect, a first mortgage on the bridge and its leases and approaches. The bridge is leased until July 1, 1928, at an annual rental of \$180 000 and taxes.
- Equity:** The above bonds are prior in lien to the Illinois Central Refunding 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of this issue, and the company agrees that it will not suffer the same to be extended or renewed.
- Trustee:** United States Trust Company, New York.

These bonds sold in 1903 on a 3.70 basis

1906	3.77
1907	3.87
1909	4.00
1910	4.25 (bid)
1911	4.12 to 4.20
1912	4 27

These bonds are considered a legal investment for savings banks in New Hampshire, Vermont, Massachusetts and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Sterling Trust Mortgage 3½s

Dated July 1, 1886

Maturing July 1, 1950

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York,
and Baring Brothers, London.

Coupon bonds of \$1,000 and £200.
Registered bonds of \$1,000 and £200.

Authorized \$9,000,000

Outstanding \$5,266,000

Provisions of issue: Under the terms of the mortgage of the Illinois Central Refunding 4s of 1955, no further bonds may be issued, and a sufficient number of the same have been reserved to retire those already issued at maturity.

Security: These bonds are secured by a first collateral lien by deposit with the trustee of an equal amount (\$5,266,000) of Chicago, St. Louis & New Orleans Consolidated 5s of 1951. They are further secured by a direct second mortgage on 705.5 miles of road, covered by the first lien of the company's first mortgage, dated August 10, 1874. The company covenants "that no mortgage shall hereafter be made upon the Illinois Central Railroad and the Chicago, St. Louis & New Orleans Railroad, to secure the payment of any other indebtedness, until the bonds of this series shall be secured by a first mortgage lien upon each, to be duly authorized by the holders of a majority of the capital stock of the companies having priority to any other mortgage that may hereafter be executed."

Equity: These bonds are prior in lien to the Illinois Central Refunding 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of this issue, and the company agrees that it will not suffer any of the said bonds to be extended or renewed.

Trustee: United States Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Western Line First Mortgage 4s

Dated February 1, 1895

Maturing August 1, 1951

Interest payable February 1 and August 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$10,000,000

Outstanding \$5,425,000
Per mile . . . 24,880

Provisions of issue: Of the amount authorized, \$5,425,000 are outstanding, as above, and the balance, \$4,575,000, has been reserved to acquire, free from incumbrances, the 184.26 miles of road covered by \$2,000,000 Iowa Falls & Sioux City First 7s of 1917.

Security: The above bonds are secured by a first mortgage on the company's road extending from Dubuque to Iowa Falls, Ia., 142 miles, and from Cedar Falls, Ia., to the Minnesota State Line, 76 miles, together with the roadbed, depots, and other buildings now owned or hereafter acquired or provided for the use of the railroad.

Trustee: United States Trust Company, New York.

These bonds sold in 1902 on a 3.37 to 3.56 basis

1903	3.52	3.85
1904	3.67	3.75
1905	3.60	
1906	3.65	3.90
1907	3.90	4.10
1908	3.95	
1909	3.95	4.20
1910	4.10	4.25
1911	4.17	4.23
1912	4.20	4.40

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Omaha Division First Mortgage 3s

Dated July 20, 1900

Maturing August 1, 1951

Interest payable February 1 and August 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registrable as to principal or fully registrable.

Registered bonds of \$1,000.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . . 37,570

Security: These bonds were issued by the Illinois Central Railroad Company, and are secured by a first mortgage executed by the Dubuque & Sioux City Railroad Company on its line extending from Tara to Council Bluffs, 133.38 miles, including all the depots, and other buildings and structures and improvements purchased or provided for, or which may be hereafter purchased or provided between these points, also all franchises.

Trustee: United States Trust Company, New York.

The Dubuque & Sioux City Railroad Company was chartered November 24, 1856, as the Dubuque & Pacific Railroad Company. Its road, 80 miles completed, was sold under foreclosure August 21, 1860, and the present company was organized at that time. It was opened to its present terminus in 1866. A controlling interest in this road was acquired by the Illinois Central Railroad Company in October, 1888, and it was subsequently consolidated with the Cedar Rapids & Chicago Railroad, the Iowa Falls & Sioux City Railroad, and the Cherokee & Dakota Railroad Companies, and the capital stock increased to \$8,000,000. The Illinois Central Railroad Company owns all but \$33,300 of its capital stock outstanding.

These bonds sold in 1904 on a 3.60 to 3.70 basis		
1905	3.63	3.90
1906	4.05	
1909	4.05	
1910	4.13	
1911	4.25	4.30
1912	4.30	

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

ILLINOIS CENTRAL RAILROAD

Litchfield Division First Mortgage 3s

Dated October 1, 1900

Maturing January 1, 1951

Interest payable January 1 and July 1 at the Company's office, 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples.

Authorized \$4,000,000

Outstanding \$3,235,000
Per mile . . . 33,000

Security: These bonds are secured by a first mortgage on the railway formerly belonging to the St. Louis, Peoria & Northern Railway Company, extending from East St. Louis to Springfield, Ill., and all lands, buildings, properties acquired, provided or constructed, or hereafter acquired, together with trackage rights and the benefits from contracts which the railway had with other corporations, and equipment now owned or hereafter acquired.

Equity: The above bonds are prior in lien to the Illinois Central First Lien Equipment 4s of 1923.

Trustee: Farmers' Loan & Trust Company.

These bonds sold in 1909 on a 4.10 basis (bid)

1910	4.37 (bid)
1911	4.30
1912	4.30 to 4.45

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

BELLEVILLE & CARONDELET RAILROAD

First Mortgage Currency 6s

Dated June 1, 1883

Maturing June 1, 1923

Interest payable June 1 and December 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$470,000

Per mile . . . 27,170

Security: The above bonds are secured by a first mortgage on the company's road, extending from Belleville to Carondelet, Ill., 17.3 miles, including all lands, buildings, equipment, franchises, etc. now owned or hereafter acquired.

These bonds were ASSUMED by the St. Louis, Alton & Terre Haute Railroad Company, which conveyed its property to the Illinois Central Railroad Company in 1904.

Equity: These bonds are prior in lien to \$13,375,000 Illinois Central, St. Louis Division & Terminal 3s and $3\frac{1}{2}$ s of 1951, and to the Illinois Central Refunding 4s of 1955, provision being made under both to provide for the retirement of this issue.

Under the terms of the mortgage of the Illinois Central Refunding 4s of 1955, no further bonds may be issued than are outstanding as above.

The Belleville & Carondelet Railroad was consolidated into the St. Louis, Alton & Terre Haute Railroad Company in 1897, and the latter conveyed its property to the Illinois Central Railroad Company in 1904.

These bonds sold in 1904 on a 4.13 basis

1905 4.25

1909 4.00

1910 4.25

1911 4.27 (bid)

December, 1912 5.00 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CARBONDALE & SHAWNEETOWN RAILROAD

First Mortgage 4s

Dated March 1, 1887

Maturing March 1, 1932

Interest payable March 1 and September 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$250,000

Outstanding \$241,000

Per mile . . . 14,830

Provisions of issue: Under the terms of the mortgage of the Illinois Central Refunding 4s of 1955 no further bonds than those at present outstanding may be issued.

Security: The above bonds are secured by a first mortgage on the company's road from Carbondale to Marion, Ill., 16.25 miles, together with the equipment of the line and future acquisitions.

These bonds were ASSUMED by the St. Louis, Alton & Terre Haute Railroad Company, which conveyed its property to the Illinois Central in 1904.

Equity: These bonds are prior in lien to \$13,375,000 Illinois Central, St. Louis Division & Terminal 3s and 3½s of 1951, and also the Illinois Central Refunding 4s of 1955, provision being made under both to provide for the retirement of this issue.

Trustee: Mercantile Trust Company, New York.

These bonds sold in 1907 on a 4.20 basis		
1908	4.00	to 4.20 basis
1909	4.13	4.25
1910	4.05	4.35
1911	4.37	(bid)
1912	4.45	4.62

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ST. LOUIS SOUTHERN RAILROAD

First Mortgage 4s

Dated September 1, 1886

Maturing September 1, 1931

Interest payable March 1 and September 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$550,000

Outstanding \$538,000
Per mile . . 17,350

Provisions of issue: Under the terms of the mortgage of the Illinois Central Refunding 4s of 1955, no further bonds than those at present outstanding may be issued.

Security: The above bonds are secured by a first mortgage on the company's road from Pinkneyville to Murphysboro, Ill., 30.99 miles, together with equipment and all future acquisitions.

These bonds were ASSUMED by the St. Louis, Alton & Terre Haute Railroad Company, which conveyed its property to the Illinois Central in 1904.

Equity: These bonds are prior in lien to \$13,375,000 Illinois Central St. Louis Division & Terminal 3s and 3½s of 1951, and also the Illinois Central Refunding 4s of 1955, provision being made under both to provide for the retirement of this issue.

Trustee: Mercantile Trust Company, New York.

The St. Louis Southern Railroad Company was consolidated into the St. Louis, Alton & Terre Haute Railroad Company in 1897, and the latter conveyed its property to the Illinois Central Railroad Company in 1904.

These bonds sold in 1902 on a 3.75 to 3.95 basis

1904	3.82	3.85
1907	4.20	
1908	4.15	
1909	4.20	(bid)
1910	4.35	(bid)
1911	4.70	(bid)
December, 1912	4.35	(bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

IOWA FALLS & SIOUX CITY RAILROAD

First Mortgage Currency 7s

Dated May 1, 1869

Maturing October 1, 1917

Interest payable April 1 and October 1 at 115 Broadway, New York.

Coupon bonds of \$500 and \$1,000.

Authorized \$3,000,000

Outstanding \$2,800,000

Per mile . . . 15,200

Security: The above bonds are secured by a first mortgage on the company's road from Iowa Falls to Sioux City, Ia., 184.26 miles, together with lands and equipment, etc.

These bonds have been ASSUMED by the Dubuque & Sioux City Railroad Company.

The Iowa Falls & Sioux City Railroad Company was organized October 1, 1867, and the road was completed in 1870, being thereafter operated by the Illinois Central Railroad Company under a lease which expired October 1, 1887. The company was consolidated in 1889 into the Dubuque & Sioux City Railroad Company, all the capital stock of which with the exception of \$33,300 is owned by the Illinois Central Railroad Company.

These bonds were quoted in 1909 on a 4.70 basis (bid)

1910	4.63
1911	4.63
December, 1912	5.37

These bonds are considered a legal investment for savings banks in Maine.

CHICAGO, ST. LOUIS & NEW ORLEANS RAILROAD

Consolidated Mortgage 3½s and 5s

Dated March 15, 1881

Maturing June 15, 1951

Interest payable June 15 and December 15 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$18,000,000

Outstanding (5s) \$16,635,000

(3½s) 1,359,000

Per mile 31,790

Provisions of issue: Of the amount outstanding, \$5,266,000 5s have been pledged to secure the Illinois Central Sterling 3½s of 1950. In addition, \$6,000 have been reserved for overdue bonds.

Security: These bonds are secured by a first mortgage on the company's road, on 566.08 miles, including the line from East Cairo, Ky., to New Orleans, La., together with the equipment of the line and all future acquisitions.

The Consolidated 5s are GUARANTEED as to principal only, and the 3½s are guaranteed as to both principal and interest by endorsement.

The Consolidated 3½s of 1951 sold in 1902 on a 3.30 basis

1904	3.58 to 4.12 basis
1907	4.05
1909	3.98
1910	4.00
1911	4.30 (bid)
December, 1912	4.60 (bid)

The Consolidated 5s of 1951 sold in 1902 on a 3.63 to 3.78 basis

1903	3.85	4.15
1905	3.85	3.95
1906	3.88	4.02
1907	4.10	4.65
1908	4.15	4.35
1909	4.00	4.13
1910	4.05	4.25
1911	4.13	4.30
1912	4.15	4.30

The Consolidated 5s are considered a legal investment for savings banks in Connecticut and Rhode Island.

The Consolidated 3½s are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

CHICAGO, ST. LOUIS & NEW ORLEANS RAILROAD

Memphis Division First Mortgage 4s

Dated April 3, 1889

Maturing December 1, 1951

Interest payable June 1 and December 1 at 115 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$3,500,000

Outstanding \$3,500,000

Per mile . . . 35,000

Security: The above bonds are secured by a first mortgage on the company's road from Memphis, Tenn., to Granada, Miss., 100 miles, together with equipment and future acquisitions.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Illinois Central Railroad Company by endorsement.

Trustee: United States Trust Company, New York.

These bonds sold in 1902 on a 3.70 to 3.75 basis

1903	3.72	3.90
1904	3.60	3.82
1905	3.53	
1906	3.95	
1907	3.97	4.05
1908	4.00	
1909	4.15	(bid)
1910	4.13	
1911	4.25	(bid)
1912	4.40	

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, MEMPHIS & GULF RAILROAD

First Mortgage Gold 5s

Dated January 1, 1910

Maturing January 1, 1940

Interest payable January 1 and July 1 at Bankers' Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000 and multiples.

Coupon and registered bonds are interchangeable.

Authorized \$10,000,000

Outstanding \$735,000

Provisions of issue: Of the total amount authorized \$735,000 were outstanding as above, \$1,750,000 have been reserved for terminals, and \$7,515,000 have been reserved for extensions, etc. at 85% of the cost, but not to exceed \$20,000 per mile.

Security: The above bonds are a direct obligation of the Chicago, Memphis & Gulf Railroad Company, and are secured by a first mortgage upon its entire property, which includes a line from Dyersburg, Tenn., to Hickman, Ky., 52 miles.

These bonds have been ASSUMED by the Illinois Central Railroad Company.

Redemption: The above bonds are redeemable as a whole at 105 and interest on any interest date, upon three months' notice.

Trustee: Bankers' Trust Company, New York.

The Chicago, Memphis & Gulf Railroad was chartered in December, 1904, as the Dyersburg Northern Railroad Company. Its name was changed to the above in November, 1909, and in 1913 its property was purchased by the Illinois Central Railroad Company, the latter assuming its funded obligations.

These bonds are considered a legal investment for savings banks in Maine.

ILLINOIS CENTRAL RAILROAD

Secured Gold $4\frac{1}{2}\%$ Notes

Dated July 1, 1912

Maturing July 1, 1914

Interest payable January 1 and July 1 at 115 Broadway, New York.

Coupon notes of \$1,000, \$5,000 and \$10,000.

Authorized \$15,000,000

Outstanding \$15,000,000

The proceeds of this issue were used to acquire a like amount of Central of Georgia Railway First, Second, and Third Preference Income 5s of 1945.

Security: These notes are a direct obligation of the company and are secured by approximately \$14,000,000 of the above-mentioned bonds purchased, together with about \$5,000,000, par value, of Central of Georgia Railway capital stock.

Redemption: The above notes are redeemable, as a whole, on July 1, 1913, or January 1, 1914, upon three months' notice at 100½ and interest.

Trustee: Farmers' Loan and Trust Company, New York.

ILLINOIS CENTRAL RAILROAD

Equipment Trust $4\frac{1}{2}\%$ Certificates

Dated February 1, 1913

Maturing \$400,000 each February 1 and
August 1 to February 1, 1923, inclusive.

Interest payable February 1 and August 1 at New York.

Notes of \$1,000, registerable as to principal.

Authorized \$8,000,000

Outstanding \$8,000,000

Security: The above certificates are a direct obligation of the Illinois Central Railroad Company and were issued under the terms of a trust agreement covering equipment costing about 15% in excess of the authorized amount of this issue.

The title of this equipment will remain in the name of the trustee until all these obligations have been paid.

Trustee: The Commercial Trust Co., Philadelphia, Pa.

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY COMPANY

HISTORY

The Lake Shore & Michigan Southern Railway Company was formed by a consolidation, in 1869, of the Michigan Southern & Northern Indiana Railway, operating a line from Chicago to Toledo with branches: the Cleveland & Toledo Railroad, chartered September 1, 1853, and operating a line from Toledo to Cleveland; the Cleveland, Painesville & Ashtabula Railroad, chartered in 1854, and operating a line from Cleveland to Erie, Pennsylvania, and the Buffalo & Erie Railroad Companies. The last named was chartered May 15, 1867, its lines running from Erie to Buffalo, New York.

The length of the several lines acquired by the consolidation of 1869, including the Detroit, Monroe & Toledo Railroad, 62.36 miles, was 927.23 miles. The share capital of the consolidated company was \$34,938,000, and its funded debt \$22,283,000.

As a result of further consolidations and extensions, the Lake Shore & Michigan Southern Railway Company has developed into a system of 1,775 miles, with a share capital of \$50,000,000, and a funded debt of nearly \$170,000,000. Not only is it the most important subsidiary road of the New York Central System, but it is, likewise, the principal holding company of the New York Central System in other lines.

Among the more valuable equities which the Lake Shore & Michigan Southern Railway owns in the stocks of other companies, are the entire capital stocks of the Lake Erie, Alliance & Wheeling Railroad Company, purchased in January, 1903, together with the entire stock of the Lake Erie, Alliance & Wheeling Coal Company, and 51% of the Jefferson Coal Company; the Toledo & Ohio Central Railway Company, and the Cleveland Short Line Railway Company. The company also owns a controlling interest in the New York, Chicago & St. Louis Railroad, holding at present \$2,503,000 first preferred, \$6,275,000 second preferred and \$6,240,000 common shares of the above company. In 1903, 1909, 1910 and 1911 the Lake Shore subscribed to stock of the Pittsburgh & Lake Erie Railroad Company, and on December 31, 1911, it owned \$12,600,200 of the outstanding \$25,200,000 of that company's capital stock. Control has been gained of a majority of the stocks of the Lake Erie & Western Railroad Company (\$5,930,000 of preferred, \$5,940,000 of the common stock being held), the Chicago, Indiana & Southern Railroad Company, and the Cleveland, Cincinnati, Chicago & St. Louis Railway Company, control in the last named having been purchased in 1905 and 1906.

The Lake Shore owns one half of the capital stock of the Detroit, Toledo & Milwaukee Railroad Company. Jointly with the Chesapeake & Ohio Railway, it controls the stock of the Kanawha & Michigan Railway Company, holding \$4,027,100 of its common stock; and owns \$12,600,200 of the \$25,200,000 outstanding stock of the Pittsburgh & Lake Erie Railroad Company. On December 31, 1911, the company also owned \$6,065,000 first preferred, \$14,265,000 second preferred, and \$10,002,500 common stock of the Reading Company.

These equities are of considerable value, in many cases the Lake Shore's holdings being considerably in excess of the amount at which they are carried on the books of the company. This is especially true of the stocks of the Pittsburgh & Lake Erie Railroad and the Reading Company.

The Lake Shore & Michigan Southern Railway leases 425 miles of road from the following companies: Detroit, Hillsdale & Southwestern Railroad, Fort Wayne & Jackson Railroad, Kalamazoo, Allegan & Grand Rapids Railroad, Janestown, Franklin & Clearfield Railroad, Cleveland Short

Line Railway, and Mahoning Coal Railroad, and operates 289 miles of proprietary railroads controlled through stock ownership.

In 1898 the New York Central & Hudson River Railroad Company gained control of the Lake Shore & Michigan Southern Railway Company by exchanging the larger part of the latter's stock for New York Central Collateral Trust 3½% Gold Bonds at the rate of \$200 per share for the capital stock. On December 31, 1911, the New York Central owned \$45,289,200 of the \$50,000,000 capital stock of the Lake Shore. The latter's road is really a part of the New York Central System, but is operated as an independent organization. Paying, as it does, 18% annually on its common stock, the New York Central's equity has proved very valuable.

The New York Central Lines, including the Lake Shore & Michigan Southern Railway, the New York Central & Hudson River Railroad, the Michigan Central Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, and the Chicago, Indiana & Southern Railroad, have jointly and severally guaranteed the principal and interest on three issues of 5% Equipment Trust Certificates dated in 1907, in 1910, in 1912, and in 1913.

The Equipment Trust Certificates of 1907 amounted to \$30,000,000. The Lake Shore's share of equipment leased under the terms of the 1907 agreement cost approximately \$7,500,000. The certificates issued by the Guaranty Trust Company, representing 90% of the face value of this equipment, amounted to \$6,708,392, of which \$1,788,904 had been paid out of income and applied for the redemption of these certificates up to December 31, 1911, leaving a balance of \$4,919,488 outstanding for which this company is liable.

The Equipment Trust Certificates of 1910 amounted to \$30,000,000. The Lake Shore's share of equipment leased under the terms of the 1910 agreement was \$15,301,184, and its pro rata liability for certificates, representing 90% of the cost, was \$13,771,065. Of this amount \$918,071 had been paid for redemption up to December 31, 1911, leaving a balance of \$12,852,994 outstanding.

The Equipment Trust Certificates of 1912 amounted to \$15,000,000, issued at 4½%. The equipment purchased by the proceeds and assigned to the Lake Shore was approximately \$3,305,000, and the pro rata amount of certificates for which the Company is responsible is approximately \$2,975,000.

PROPERTY

The mileage of the Lake Shore & Michigan Southern Railway Company, on December 31, 1911, was as follows:

Miles owned in fee	871.00
Miles of proprietary lines	289.32
Miles operated under lease	424.67
Miles operated under trackage arrangements	190.44
Total miles operated	1,775.43

There was an increase in mileage operated of 112.55 miles during the fiscal year of 1911, due to the acquisition of trackage rights over the Lake Erie & Pittsburgh Railway, the Pennsylvania, and the Baltimore & Ohio Railway Companies' tracks, and by the use of the Cleveland Short Line Railway.

The Lake Shore System connects Buffalo, Cleveland, Toledo and Chicago. Its main line follows the south shore of Lake Erie to Toledo, and cuts directly across northern Ohio and Indiana into Chicago. The company operates important branches into Michigan, connecting the main line with Detroit, Lansing, Grand Rapids and Kalamazoo. It also controls mileage, through trackage rights, in central Ohio and Pennsylvania, including an important line, directly owned, into the Sharon ore districts.

The company's mileage is chiefly in the States of Ohio and Indiana. Their population in 1890 was 5,865,000 and in 1910, 7,468,000.

CAPITALIZATION

On December 31, 1911, the capitalization of the Lake Shore & Michigan Southern Railway Company was approximately as follows:

Capital stock	
Common	\$49,466,500
Guaranteed	533,500
Total capital stock	\$50,000,000
Funded debt (including Equipment Obligations)	168,172,482
Nominal capital	\$218,172,482
Rentals capitalized @ 5%	50,620,000
Gross capitalization	\$268,792,482
Securities owned	12,751,221
Net capitalization	\$256,041,261
Net capital per mile operated	\$144,249
Average miles operated	1,775.43
Net income to net capital	10.7%
Fixed charges to net income	43.5%
Margin of safety	56.5%

In the above estimate, the \$533,500 guaranteed stock refers to the preferred stock of the former Michigan Southern & Northern Indiana Railway Company, whose dividends are guaranteed up to at least 10% and are to share equally in dividends paid on the Lake Shore & Michigan Southern stock above that amount.

The amount paid for rentals in 1911 was \$2,531,081, being the organization expenses, dividends and interest on the outstanding bonds of the leased companies.

The par value of the stocks and bonds of other companies owned by the Lake Shore was \$166,239,661, of which \$155,771,661 represented the holdings of stock of other companies and \$10,462,000 the funded indebtedness of the same. These were carried on the books of the company at \$120,444,953. Of this amount but \$12,751,221 are carried as Capital Investments. The latter include unpledged securities of proprietary companies and have been deducted as above.

The capital stock of the Lake Shore outstanding per mile of road owned in fee was \$57,405 in 1911, as compared with the Michigan Central's figure of \$69,382 and that of the New York, Chicago & St. Louis Railroad of \$60,640. The funded debt of the three companies per mile of road owned was as follows:

Lake Shore	\$192,620
Michigan Central	110,511
N. Y., C. & St. L.	57,420

The net capitalization of these three "Central" properties per mile of road operated on December 31, 1911, together with the ratio of total net income to net capitalization, was approximately as follows:

	Net capitalization	Net income to net capital
Lake Shore	\$144,249	10.7%
Michigan Central	57,866	10.1
N. Y., C. & St. L.	109,900	5.8

It will be noted that fixed charges, which include taxes, rentals and interest on the company's funded debt, consumed but 43.5% of its total net income, leaving a margin of safety for these charges of 56.5%. A margin of safety of 25% was reported for the Michigan Central and 47% for the New York, Chicago & St. Louis.

CHARACTER OF TRAFFIC

The company's freight traffic represents two-thirds of its entire business. Following is a classification of its commodity tonnage for the years 1907 to 1911 inclusive:

Products of	1911	1910	1909	1908	1907
Agriculture	9.68%	8.77%	9.52%	12.40%	10.24%
Animals	3.62	3.09	4.09	5.05	3.13
Mines	56.48	59.64	58.12	53.76	54.98
Forests	2.92	2.77	2.83	3.23	3.02
Manufactures	26.13	24.65	24.02	24.08	26.78
Miscellaneous	1.17	1.08	1.42	1.48	1.85
	100.00%	100.00%	100.00%	100.00%	100.00%

The company's total tonnage in 1900 was 19,848,475, while in 1911 this figure had increased to 34,887,697, a gain of 76% for the period.

The generally heavy volume of freight business has been well maintained during the five years ending 1911. The freight density, revenue tons per train, and freight earnings of the Lake Shore for the years 1907 to 1911 inclusive, were as follows:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	3,777,147	618	\$31,111,482	\$.0053
1908	3,211,690	586	25,935,473	.0052
1909	3,715,969	624	29,735,277	.0052
1910	3,803,178	593	32,646,536	.0052
1911	3,508,010	634	31,101,335	.0053

Passenger traffic contributes nearly 25% of the gross earnings of the road. In 1907 the Lake Shore reported the largest passenger earnings in its history. With the exception of 1908, every year since 1907 has shown an increase, and in every year the company's passenger density — the number of passengers carried one mile per mile of road — has shown consistent gains.

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	317,504	65	\$9,769,873	\$.0197
1908	321,296	66	9,583,227	.0191
1909	368,450	65	10,154,220	.0182
1910	404,351	60	11,130,125	.0187
1911	407,881	63	11,350,096	.0189

EARNINGS

The Lake Shore's gross and net earnings for the years 1907 to 1911 inclusive were as follows:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907 . . .	1520	\$44,953,475	\$29,574	\$15,409,128	\$10,138	65.72%
1908 . . .	1511	39,964,838	26,449	13,252,847	8,772	66.84
1909 . . .	1663	45,110,997	27,126	17,087,336	10,276	62.12
1910 . . .	1663	49,420,210	29,717	14,499,278	8,720	70.66
1911 . . .	1775	48,360,997	27,245	17,282,419	9,738	64.26

The gross revenues of 1907 were by far the largest the company had ever reported. In 1908, as a result of the general business depression, a \$5,000,000 decline in gross earnings was shown. In 1909, however, gross earnings had more than recovered from the low figures of the previous year. Operating expenses increased \$2,800,000, of which \$2,000,000 was due to increases of maintenance, especially equipment charges, owing to the large amount of equipment used to handle additional traffic. As a result, the company's operating ratio decreased from 66.84% in 1908 to 62.12% in 1909, the lowest it has reached in the last decade.

The fiscal year of 1910 showed an increase of \$4,500,000 in gross earnings over the previous high record of 1907. Operating expenses, however, increased \$6,900,000, bringing the operating ratio up to over 70%, or 8.5% more than in 1909. The ratio of maintenance to gross earnings took care of 4.0% of this difference, increasing from 27.2% in 1909 to 31.2% in 1910. The ratio of conducting transportation to gross earnings increased from 34.9% in 1909 to 39.4% in 1910, or 4.5%.

Although the gross earnings of 1911 were not equal to those of 1910, they appear to have been satisfactory in volume, considering the generally unsettled business conditions. Retrenchments in maintenance of way of 18%, in equipment charges of 15%, and a normal decline in transportation costs, reduced the operating ratio of the Lake Shore from 70.66% in 1910 to 64.26% in 1911, and enabled it to report the largest net earnings on record.

MAINTENANCE

The Lake Shore & Michigan Southern Railway Company has spent the following amounts for maintenance of way and equipment since 1907:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$6,328,637	\$6,044,154	\$12,372,791	\$8,139
1908	4,909,069	5,422,114	10,331,183	6,836
1909	5,468,363	6,811,551	12,279,914	7,383
1910	7,549,661	7,873,217	15,422,878	9,273
1911	6,178,623	6,704,096	12,882,719	7,256

During the five years the company spent nearly \$64,000,000 out of income for maintenance of way and equipment. This is an average of over \$12,800,000 per year, or \$7.778 per mile of road operated.

The following table gives the average yearly traffic density, and the average amount spent annually for maintenance by the Lake Shore, Michigan Central, and the New York, Chicago & St. Louis for the decade ending 1911:

Ten-year average	Traffic density	Maintenance per mile
Lake Shore	3,736,996	\$8,245
Michigan Central	1,730,894	4,270
N. Y., C. & St. L.	3,127,933	4,246

ADDITIONS AND BETTERMENTS

Besides ample maintenance charges, the company has charged large amounts of income to improvements of both road and equipment. During the decade the following amounts have been spent:

Year	Improvements	
	On equipment	For construction, etc.
1902	\$1,423,673	\$2,768,788
1903	1,788,140	4,527,136
1904	2,776,034	2,781,202
1905	3,360,773	3,743,020
1906	1,201,847	4,221,846
1907	911,126	4,082,988
1908		1,292,276
1909	1,263,186	

In 1910, \$1,365,297 was charged to income as 1910 instalments on the 1907 and 1910 trust equipment certificates, and \$1,481,957 was credited to appropriated surplus as the initial payment of 10% on the equipment trust certificates of 1910. In 1911, \$1,365,297 was charged to income as 1911 instalments on the 1907 and 1910 trust equipment certificates.

From 1902 to 1904 inclusive the above amounts were included in operating expenses, but in later years were shown separately on the income sheet. In the maintenance table above, as well as in the table of statistics given below, these amounts have not been included in operating expenses, but appear as "Other charges to income" and are deducted from surplus.

In addition, the following amounts have been spent on improvements to property and charged to Capital, in accordance with the ruling of the Interstate Commerce Commission:

Year	Improvements
1909	\$3,564,414
1910	6,371,015
1911	2,722,976 (net)
	<hr/> \$12,658,405

DIVIDENDS

The company began paying dividends in 1869, when 4% was paid, and except for the two years, 1874 and 1886, the Lake Shore has paid dividends continuously. Following is the company's record since 1886:

Year	Rate	Year	Rate
1887-8	4%	1903	7½%
1889-90	5	1904-6	8
1891-2	6½	1907	12
1893-7	6	1908	14
1898	6½	1909	12
1899-1902	7	1910-12	18

The balance sheet of the Lake Shore & Michigan Southern Railway Company of December 31, 1911, showed a Profit and Loss balance of \$36,154,623, and, together with the amount of appropriated surplus for additions to property through income since June 30, 1907, of \$8,845,323, this balance is equivalent to 90% of the company's outstanding capital.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Lake Shore & Michigan Southern Railway, based on the average miles operated, for the year 1900 and for the years 1905 to 1911 inclusive:

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY

Fiscal year	Capital stock	Funded debt	Rentals @ 5% _c	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$35,435	\$35,949	\$13,086	\$84,470	\$19,049	\$65,421	1,411	522
1905	32,895	66,659	17,178	116,732	51,245	65,487	1,520	747
1906	32,895	99,081	19,080	141,056	61,018	80,038	1,520	841
1907	32,895	98,947	18,686	150,528	67,139	83,389	1,520	845
1908	33,090	99,536	14,564	147,190	59,377	87,813	1,511	846
1909	30,066	90,438	22,353	142,857	4,195	138,662	1,663	918
1910	30,066	98,507	27,282	155,855	4,195	151,660	1,663	1,152
1911	28,169	94,745	28,519	151,433	7,184	144,249	1,775	1,194

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$18,757	\$2,189	\$2,874	\$6,699	\$6,995	\$531	\$7,526	\$2,805	\$4,721
1905	25,385	5,337	5,464	9,811	4,783	2,314	7,097	4,157	2,940
1906	27,989	3,501	3,844	10,582	10,062	2,734	12,794	4,957	7,837
1907	29,574	4,163	3,976	11,297	10,138	3,760	13,898	5,753	8,145
1908	26,449	3,248	3,588	10,841	8,772	3,105	11,877	5,941	5,936
1909	27,126	3,288	4,095	9,467	10,276	3,900	14,176	6,408	7,768
1910	29,717	4,539	4,734	11,724	8,720	6,285	15,005	6,713	8,292
1911	27,245	3,480	3,776	10,251	9,738	5,760	15,498	6,742	8,756

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$2,454	....	\$2,267	62.72%	26.9%	35.8%	15.0%	22.2%	11.5%	13.3%
1905	2,603	....	337	81.17	42.6	38.6	16.3	21.7	10.8	8.9
1906	3,254	\$3,567	1,016	64.06	26.3	37.8	17.7	19.8	16.0	23.8
1907	4,556	3,285	304	65.72	27.6	38.1	19.4	19.5	16.6	24.7
1908	3,928	855	1,133	66.84	25.8	41.0	22.5	18.0	13.5	17.9
1909	3,569	759	3,440	62.12	27.2	34.9	23.7	18.9	10.2	25.8
1910	5,354	820	2,118	70.66	31.3	39.4	22.6	19.0	9.9	27.5
1911	5,016	....	3,740	64.26	26.7	37.6	24.8	18.0	10.7	31.0

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$2.03	\$2.27	\$3.12	\$7.27	8.71	\$0.203	\$0.050	2,566,144	352	69%	21,058
1905	2.51	.527	.539	.969	.47	.0203	.0052	3,355,210	619	69	29,769
1906	2.51	.315	.345	.952	.90	.0202	.0052	3,698,357	624	70	37,668
1907	2.55	.358	.342	.973	.87	.0196	.0053	3,777,147	618	69	37,913
1908	2.45	.301	.333	1.005	.81	.0191	.0052	3,211,690	586	65	37,078
1909	2.54	.307	.382	.884	.96	.0181	.0052	3,715,969	624	65	36,877
1910	2.42	.370	.386	.957	.71	.0186	.0052	3,803,178	593	66	35,740
1911	2.57	.328	.356	.966	.92	.0188	.0053	3,508,010	634	64	35,675

In the capitalization figures above, it will be noted that, in 1909, there was a radical decline in the column "Owned by company" and a corresponding increase in "Net capital." This is due to the fact that prior to that time the company reported its securities in bulk as a capital asset, but, following the Interstate Commerce Commission ruling, in 1909 it divided its securities into two groups, one showing those of proprietary and controlled roads held as capital investments, and the other showing its investment in outside properties. After and including 1909, only securities held as capital assets have been included in the column "Owned by company" above.

It is interesting to note, however, that in 1911 the Lake Shore reported a total security investment of \$120,445,000, or upwards of \$68,000 for every mile operated, of which \$12,751,000 represented securities of proprietary and controlled companies, and \$107,689,000 represented its holdings in outside properties but included among working assets as Marketable Securities.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Lake Shore & Michigan Southern Railway System, together with the bases on which they have sold during the decade ending December 31, 1912:

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY

First Mortgage 3½s

Dated June 1, 1897

Maturing June 1, 1997

Interest payable June 1 and December 1 at Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$50,000,000

Outstanding \$50,000,000

Per mile . . . 60,530

Security: The above bonds are secured by a first mortgage on 825.79 miles of the company's line, including the 293.71 miles from Buffalo, N. Y., to Toledo, O.; Palmyra, Mich., to Chicago, Ill., 215.90 miles; Air Line Junction to Elkhart, Ind., 131.10 miles; also on buildings, bridges, rolling stock, incomes, future acquisitions, etc.

Trustees: United States Trust Company, New York, and John T. Dye, Esq.

These bonds sold in 1902 on a 3.20 to 3.55 basis

1903	3.30	3.55
1904	3.40	3.55
1905	3.40	3.55
1906	3.45	3.75
1907	3.70	4.25
1908	3.65	3.95
1909	3.65	3.875
1910	3.80	3.90
1911	3.90	4.05
1912	3.95	4.05

The above bonds are considered a legal investment for savings banks in New England.

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY

25-year Debenture 4s

Dated November 18, 1903

Maturing September 1, 1928

Interest payable March 1 and September 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000 and \$5,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000, \$20,000, \$50,000, \$100,000 or multiples of \$5,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$50,000,000

Security: Although not secured by a mortgage, the above bonds are a direct obligation of the company, which has agreed that "so long as any of said bonds are outstanding and unpaid, the Railway Company will not make any new mortgage upon its railroad, without also thereby including therein every bond issued under this indenture equally and ratably with every bond issued

under and secured by any such mortgage; but this covenant shall not prevent the renewal or extension of any existing mortgage."

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1904 on a 3.87 to 4.10 basis

1905	3.80	4.00
1906	3.87	4.25
1907	4.05	4.55
1908	4.20	4.87
1909	4.25	4.45
1910	4.35	4.65
1911	4.40	4.65
1912	4.50	4.75

The above bonds are considered a legal investment for savings banks in New Hampshire.

LAKE SHORE & MICHIGAN SOUTHERN RAILWAY

25-year Debenture 4s

Dated May 1, 1906

Maturing May 1, 1931

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000 and \$5,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000, \$20,000, \$50,000, \$100,000 or multiples of \$5,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$50,000,000

Security: Although not secured by a mortgage, the above bonds are a direct obligation of the company, which has agreed that "so long as any of said bonds are outstanding and unpaid, the Railway Company will not make any new mortgage upon its railroad, without also thereby including therein every bond issued under this indenture equally and ratably with every bond issued under and secured by any such mortgage; but this covenant shall not prevent the renewal or extension of any existing mortgage."

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1907 on a 4.62 to 5.20 basis

1908	4.25	4.80
1909	4.25	4.50
1910	4.30	4.60
1911	4.40	4.60
1912	4.50	4.70

The above bonds are considered a legal investment for savings banks in New Hampshire.

JAMESTOWN, FRANKLIN & CLEARFIELD RAILROAD

First Mortgage 4s

Dated June 1, 1909

Maturing June 1, 1959

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$25,000,000

Outstanding \$11,000,000

Per mile . . . 89,435

Provisions of issue: \$14,000,000 of the above issue are reserved for extensions, additions, improvements, etc.

Security: The above bonds are secured by a first mortgage on 123.39 miles of road, including the line from the Ohio-Pennsylvania State line to a junction with the Allegheny Valley Railway at Brookville, Pa., 103.70 miles; also on branches, franchises, incomes, future acquisitions, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company by endorsement.

Trustee: Guaranty Trust Company, New York.

The Jamestown, Franklin & Clearfield Railroad Company was chartered under the laws of Pennsylvania on March 8, 1909, as a consolidation of the Jamestown & Franklin Railroad, the Franklin & Clearfield Railroad, the Central Trunk Railway and the Jackson Coal Railroad Companies.

The road is leased, at an annual rental equal to the interest on its funded and other indebtedness, taxes, and 5% per annum on the capital stock, to the Lake Shore & Michigan Southern Railway Company, which owns practically all its entire capital stock.

These bonds sold in 1909 on a 4.35 basis (bid)

1910	4.25	4.30 basis
1911	4.20	4.30
1912	4.27	4.30

The above bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

KALAMAZOO, ALLEGAN & GRAND RAPIDS RAILROAD

First Mortgage Currency 5s

Dated July 2, 1888

Maturing July 1, 1938

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$840,000

Outstanding \$840,000

Per mile . . . 14,500

Security: These bonds are secured by a first mortgage on 58.45 miles of road, extending from Kalamazoo to Grand Rapids, Mich., and on franchises, incomes, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company.

Trustee: Union Trust Company, New York.

The Kalamazoo, Allegan & Grand Rapids Railroad Company was chartered June 3, 1868, under the laws of the State of Michigan. On September 21, 1869, the road was leased to the Lake Shore & Michigan Southern Railway Company for 999 years at an annual rental of \$78,600, equal to 6% on the capital stock and 5% on the bonds.

The above bonds were quoted in 1909 on a 4.25 basis (bid)

1910 4.35

1911 4.50

December, 1912 4.65

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

KALAMAZOO & WHITE PIGEON RAILROAD

First Mortgage Currency 5s

Dated January 1, 1890

Maturing January 1, 1940

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Registered bonds of \$1,000 and \$5,000.

Authorized \$400,000

Outstanding \$400,000

Per mile . . . 10,800

Security: The above bonds are secured by a first mortgage on 36.54 miles of railroad, extending from White Pigeon to Kalamazoo, Mich., also on franchises, incomes, future acquisitions, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company by endorsement.

Trustee: Union Trust Company, New York.

The Kalamazoo & White Pigeon Railroad was incorporated under the laws of the State of Michigan in 1869 as a consolidation of the Schoolcraft & Three Rivers Railroad and the Kalamazoo & Schoolcraft Railroad Companies. The entire capital stock is owned by the Lake Shore & Michigan Southern Railway Company, which leases the road at an annual rental equal to the interest on \$400,000 bonds, taxes, etc.

These bonds sold in 1902 on a 3.60 basis	
In 1909 they were quoted on a 4.25 basis (bid)	
1910	4.45
1911	4.50
December, 1912	4.20 (bid)

The above bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

MAHONING COAL RAILROAD

First Mortgage Currency 5s

Dated July 1, 1884

Maturing July 1, 1934

Interest payable January 1 and July 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$1,500,000

Outstanding \$1,500,000
Per mile . . . 22,660

Security: The above bonds are secured by a first mortgage on 68.41 miles of road, including the line from Andover to Youngstown, O., 38.18 miles; Mann to Brookfield, Pa., 24.49 miles, and the Sharon Branch, 5.74 miles; also on branches hereafter built, on all property now owned or hereafter acquired, and all franchises and incomes.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company by endorsement.

Trustee: Union Trust Company, New York.

The Mahoning Coal Railroad Company was chartered under the laws of Pennsylvania and Ohio, February 18, 1871, and the road was opened for traffic in 1873. In 1884 the property was leased in perpetuity to the Lake Shore & Michigan Southern Railway Company at an annual rental of 40% of the gross earnings. In case 40% is not sufficient to pay interest on bonds and 5% on the preferred stock, the Lake Shore & Michigan Southern Railway Company agrees to advance the sum needed, this amount to be a charge on future earnings. On December 31, 1911, the Lake Shore & Michigan Southern Railway Company owned \$399,500 preferred and \$865,900 common stock of the Mahoning Coal Railroad Company.

The above bonds sold in 1902 on a 3.55 basis		
1903	3.70	to 3.85
1905	3.65	3.67
1906	3.55	3.70
1907	4.45	
1909	4.20	(bid)
1910	4.35	(bid)
1911	4.20	4.25
December, 1912	4.30	

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

STURGIS, GOSHEN & ST. LOUIS RAILWAY

First Mortgage 3s

Dated December 1, 1889

Maturing December 1, 1989

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$2,500,000

Outstanding \$322,000
Per mile . . . 11,100

Provisions of issue: This issue was authorized to the amount of \$322,000 and \$15,000 per mile of additional road to the aggregate of \$2,500,000.

Security: The above bonds are secured by a first mortgage on 28.92 miles of road extending from Goshen, Ind., to Sturgis, Mich., and on all property now owned or hereafter acquired, and all incomes and franchises.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company by endorsement.

Trustee: Metropolitan Trust Company, New York.

The Sturgis, Goshen & St. Louis Railway was taken over from the receivers, December 1, 1889, by the Lake Shore & Michigan Southern Railway Company, which acquired the entire capital stock and assumed the bonded indebtedness.

The above bonds are considered a legal investment for savings bank in Maine, New Hampshire and Rhode Island.

CHICAGO, INDIANA & SOUTHERN RAILROAD

50-year Mortgage 4s

Dated June 27, 1906

Maturing January 1, 1956

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000 and multiples of \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$20,000,000

Outstanding \$15,150,000

Per mile . . . 44,950

\$4,850,000 bonds of this issue are reserved to retire Indiana, Illinois & Iowa First 4s of 1950.

Security: The above bonds are secured by direct mortgage on 336.60 miles of road. They are secured by a first mortgage on 130.98 miles, including the 109.09 miles of line from Indiana Harbor, Ind., to Danville, Ill., and by a second mortgage on the 205.62 miles which are covered by the first lien of the Indiana, Illinois & Iowa 4s of 1950, for a description of which see below. The bonds are also secured by mortgage on leaseholds, franchises, incomes, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company.

Trustees: Guaranty Trust Company, New York, and William H. Wildhack, Esq.

The Chicago, Indiana & Southern Railroad Company was incorporated under the laws of Indiana and Illinois on April 9, 1906, as a consolidation of the Indiana, Illinois & Iowa Railroad, the Indiana Harbor Railroad and the Danville & Indiana Harbor Railroad Companies.

The road is controlled by the Lake Shore & Michigan Southern Railway Company through ownership of \$12,000,000 of \$15,000,000 common stock and the entire \$5,000,000 preferred stock.

These bonds sold in 1909 on a 4.20 to 4.30 basis

1910	4.30	4.40
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1911	4.35	4.45
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1912	4.45	4.50
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The above bonds are considered a legal investment for savings banks in New Hampshire.

INDIANA, ILLINOIS & IOWA RAILROAD

First Mortgage 4s

Dated July 1, 1900

Maturing July 1, 1950

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$12,000,000

Outstanding \$4,850,000

Per mile . . . 23,540

Provisions of issue: No more of the above bonds are to be issued, in accordance with the terms of the mortgage of the Chicago, Indiana & Southern 4s of 1956, a sufficient number of which have been reserved to retire the above bonds.

Security: These bonds are secured by a first mortgage on 205.62 miles of road, including the 192.08 miles from South Bend, Ind., to Seatonville Junction, Ill., also on real estate, equipment, buildings, franchises, etc.

The bonds are a direct obligation of the Chicago, Indiana & Southern Railroad Company.

Trustees: Illinois Trust & Savings Bank, Chicago, and Joseph D. Oliver, Esq.

The Indiana, Illinois & Iowa Railroad Company was formed September 15, 1898, as a consolidation of the Indiana, Illinois & Iowa Railroad Company with the Indiana, Illinois & Iowa Railway Company. In 1906 the road was consolidated with the Indiana Harbor Railroad and the Danville & Indiana Harbor Railroad Companies, the new company being known as the Chicago, Indiana & Southern Railroad Company.

These bonds sold in 1902 on a 3.875 to 4.00 basis

1903	3.90	4.15
1904	3.95	4.10
1905	3.98	4.02
1906	4.00	4.05
1907	4.00	4.35
1908	4.25	
1909	4.10	4.20
1910	4.10	4.25
1911	4.20	4.30
1912	4.22	4.40

These bonds are considered a legal investment for savings banks in Maine.

LAKE ERIE & WESTERN RAILROAD

First Mortgage 5s

Dated February 21, 1887

Maturing January 1, 1937

Interest payable January 1 and July 1 at the Chase National Bank, New York.

Coupon bonds of \$1,000, fully registerable.

Authorized \$10,000 per mile

Outstanding \$7,250,000

Per mile . . . 10,210

Security: The above bonds are secured by a first mortgage on 710.10 miles of road, including the 412.79 miles from Sandusky, O., to Peoria, Ill.; 158.64 miles from Indianapolis to Michigan City; and the 104.59 miles from Fort Wayne to Connersville, Ind.; also on equipment and future acquisitions.

Trustee: Central Trust Company, New York.

The Lake Erie & Western Railway Company was formed January 1, 1880, as a consolidation of the Lafayette, Bloomington & Mississippi Railroad, the Lafayette, Muncie & Bloomington, the Indianapolis & Sandusky, and the Lake Erie & Louisville Railroad Companies. In 1886 the road was sold under foreclosure. In 1887 the Lake Erie & Western Railroad Company was formed to purchase the property of the old company.

The road is operated by its own organization, but is controlled by the Lake Shore & Michigan Southern Railway Company through ownership of \$5,940,000 of the \$11,840,000 common stock and \$5,930,000 of the \$11,840,000 preferred stock.

These bonds sold in 1902 on a 3.80 to 3.95 basis

1903	3.90	4.15
1904	3.90	4.15
1905	3.90	4.00
1906	3.95	4.20
1907	4.15	4.45
1908	4.15	4.60
1909	4.05	4.25
1910	4.20	4.45
1911	4.30	4.45
1912	4.35	4.55

The above bonds are considered a legal investment for savings banks in Maine.

LAKE ERIE & WESTERN RAILROAD

Second Mortgage 5s

Dated June 30, 1891

Maturing July 1, 1941

Interest payable January 1 and July 1 at the Chase National Bank, New York.

Coupon bonds of \$1,000.

Authorized \$3,625,000

Outstanding \$3,625,000

Per mile . . . 5,100

Security: The above bonds are secured by a second mortgage on the same property covered as a first mortgage by the Lake Erie & Western 5s of 1937 (see above).

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 4.05 to 4.20 basis

1903	4.30	4.50
1904	4.20	4.45
1905	4.15	4.30
1906	4.25	4.40
1907	4.55	4.62
1908	4.65	5.00
1909	4.45	4.55
1910	4.55	4.60
1911	4.75	
1912	4.75	

NORTHERN OHIO RAILWAY

First Mortgage 5s

Dated October 1, 1895

Maturing October 1, 1945

Interest payable April 1 and October 1 at the Chase National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,000,000

Outstanding \$2,500,000

Per mile . . . 15,430

Provisions of issue: The above bonds were authorized to the amount of \$4,000,000, of which \$2,500,000 were issued at once on the road completed at the date of the indenture. The residue, \$1,500,000, are to be issued at the rate of \$15,000 per mile of completed road either constructed or acquired.

Security: The bonds are secured by a first mortgage on 161.75 miles of road extending from Akron to Delphos, O.; also on terminals, land, rolling stock, incomes, etc.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Lake Erie & Western Railroad Company.

Trustee: Central Trust Company, New York.

The Northern Ohio Railway Company was formed in 1895 to take over the property of the Pittsburgh, Akron & Western Railroad Company which had been sold under foreclosure. This latter road was the result of a consolidation in 1890 of the Pittsburgh, Akron & Western Railway and the Cleveland & Western Railroad Companies.

On October 1, 1895, the Northern Ohio Railway Company leased its property for 999 years to the Lake Erie & Western Railroad Company which guarantees the principal and interest on its \$4,000,000 First Mortgage 5% bonds, mentioned above. The entire common stock of the road is owned by the Lake Erie & Western Railroad Company.

These bonds sold in 1902 on a 4.20 to 4.35 basis

1903	4.25	4.50
1904	4.15	4.50
1905	4.00	4.125
1906	4.125	
1907	4.35	4.45
1908	4.35	4.70
1909	4.22	4.30
1910	4.35	4.50
1911	4.40	4.55
1912	4.70	4.75

The above bonds are considered a legal investment for savings banks in Maine.

NEW YORK, CHICAGO & ST. LOUIS RAILROAD

First Mortgage Sinking Fund 4s

Dated October 1, 1887

Maturing October 1, 1937

Interest payable April 1 and October 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$20,000,000

Outstanding \$18,979,000

Per mile . . . 38,300

\$1,021,000 bonds of the above issue have been retired by the sinking fund.

Sinking fund: "Whenever the net earnings for the year ending September 30 shall equal or exceed \$900,000 the company shall pay to the trustee \$100,000 to be applied to the purchase of bonds at not exceeding 102 and accrued interest, the bonds to be obtained through advertisements. If in any year \$900,000 be not earned over operating expenses, or if the trustee be unable to purchase any bonds at said price, the company shall not be required to make this payment."

Security: The above bonds are secured by a first mortgage on 494.72 miles of road extending from Buffalo, N. Y., to the Indiana-Illinois State Line, and on trackage rights, lands, buildings, equipment and future acquisitions.

Trustee: The Central Trust Company, New York.

The New York, Chicago & St. Louis Railway Company was organized in 1881 by the consolidation of companies that had been incorporated but not constructed. Construction was commenced

immediately after the organization and the road was opened in October, 1882. In 1885 interest was defaulted and a receiver appointed. In 1887 the Railway Company was sold under foreclosure and the new company consolidated with the Erie & State Line Railroad, the Cleveland & State Line Railroad and the Fort Wayne & Illinois Railroad Companies, forming the present company.

The New York, Chicago & St. Louis Railroad Company, although operated as an independent organization, is controlled by the Lake Shore & Michigan Southern Railway Company through ownership of \$2,503,000 of the \$5,000,000 first preferred, \$6,275,000 of the \$11,000,000 second preferred, and \$6,240,000 of the \$14,000,000 common stocks.

These bonds sold in 1902 on a 3.60 to 3.80 basis

1903	3.75	4.08
1904	3.67	3.85
1905	3.67	3.77
1906	3.67	3.90
1907	3.80	4.40
1908	3.80	4.30
1909	3.87	4.02
1910	3.98	4.15
1911	3.98	4.10
1912	3.95	4.15

The above bonds are considered a legal investment for savings banks in Maine.

NEW YORK, CHICAGO & ST. LOUIS RAILROAD

25-year Debenture Gold 4s

Dated March 28, 1906

Maturing May 1, 1931

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000, \$10,000, \$20,000, \$50,000 and multiples of \$5,000.

Coupon and registered bonds interchangeable.

Authorized \$10,000,000

Outstanding \$10,000,000

Security: The above bonds, although not secured by a mortgage, are a direct obligation of the company, which covenants that "so long as any of said bonds are outstanding and unpaid, the Railroad Company will not make any new mortgage upon its railroad, without also thereby including therein every bond issued under this indenture equally and ratably with every bond issued under and secured by any such mortgage; but this covenant shall not prevent the renewal or extension of any existing mortgage."

Trustee: Guaranty Trust Company, New York.

For history of the New York, Chicago & St. Louis Railroad Company, see above.

These bonds sold in 1908 on a 3.67 to 4.10 basis

1909	4.45	4.63
1910	4.60	4.75
1911	4.60	4.80
1912	4.70	5.00

PITTSBURGH & LAKE ERIE RAILROAD

First Mortgage 6s

Dated January 1, 1878

Maturing January 1, 1928

Interest payable January 1 and July 1 at the Company's office, Pittsburg.

Coupon bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile . . . 28,000

Security: The above bonds are secured by a first mortgage on 71.25 miles of road, including the 64.73 miles from Pittsburg, Pa., to Hazelton, O.; also on all property, branches, lands, buildings, rolling stock, incomes and franchises.

Trustee: Safe Deposit Company of Pittsburg.

The Pittsburgh & Lake Erie Railroad Company was chartered under the laws of Pennsylvania on May 18, 1875. The line was opened for traffic in 1879. The road is operated independently, but is controlled by the Lake Shore & Michigan Southern Railway Company through ownership of \$12,600,200 capital stock.

These bonds were quoted in 1909 on a 4.10 basis (bid)

1910 4.30

1911 4.30

1912 4.55

The above bonds are considered a legal investment for savings banks in New Hampshire, Maine, Connecticut and Rhode Island.

PITTSBURGH & LAKE ERIE RAILROAD

Second Mortgage 5s

Dated April 1, 1889

Maturing January 1, 1928

Interest payable April 1 and October 1 at the New York Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile . . . 28,000

Security: The above bonds are secured by a second mortgage on the same property covered by the first lien of the Pittsburgh & Lake Erie First 6s of 1928.

Trustee: New York Trust Company, New York.

For history of the Pittsburgh & Lake Erie Railroad Company, see above.

These bonds sold in 1906 on a 4.45 basis	
1908	5.00
1909	5.00
1910	5.00 (bid)
1911	4.70 (bid)
1912	4.55

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

BEAVER & ELLWOOD RAILROAD

First Mortgage 4s

Dated July 1, 1899

Maturing June 1, 1919

Interest payable June 1 and December 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$150,000

Outstanding \$150,000

Per mile . . . 20,000

Security: The above bonds are secured by a first mortgage on 7.51 miles of road, branches and spurs, including the 2.93 miles from Ellwood Junction to Ellwood City, Pa., also on buildings, extensions, real estate, franchises, etc.

Redemption: These bonds are redeemable at par and interest.

Trustee: Guaranty Trust Company, New York.

The Beaver & Ellwood Railroad Company was chartered under the laws of Pennsylvania and constructed in 1890. The road was leased for 20 years from May 1, 1899, to the Pittsburgh & Lake Erie Railroad Company, which owns the entire capital stock.

The above bonds are considered a legal investment for savings banks in Maine.

The entire issue was called for payment on December 1, 1912.

PITTSBURGH, McKEESPORT & YOUGHIOGHENY RAILROAD

First Mortgage 6s

Dated July 1, 1882

Maturing July 1, 1932

Interest payable January 1 and July 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$2,250,000

Outstanding \$2,250,000

Per mile . . . 36,880

Security: The above bonds are secured by a first mortgage on 61.23 miles of road, including the 56.83 miles extending from Pittsburg to New Haven, Pa.; also on lands, buildings, rolling stock, franchises and incomes.

The bonds are GUARANTEED jointly and severally as to PRINCIPAL and INTEREST by the Lake Shore & Michigan Southern Railway Company and the Pittsburgh & Lake Erie Railroad Company.

The Pittsburgh, McKeesport & Youghioghenny Railroad Company was chartered under the laws of Pennsylvania, August 4, 1881. The road was opened for traffic in 1883. On January 1, 1884, the property was leased for 999 years from August 3, 1881, to the Pittsburgh & Lake Erie Railroad Company, at an annual rental equal to the interest on the first and second mortgage bonds and dividends at the rate of 6% on the stock. In addition, the principal and interest on the first and second mortgage bonds, and dividends on the stock are guaranteed by the Pittsburgh & Lake Erie and the Lake Shore & Michigan Southern Railway Companies, which agree to redeem the stock on July 1, 1934, at par.

These bonds sold in 1903 on a 3.80 basis

1909 3.95

1910 4.40 (bid)

1911 4.47 (bid)

December, 1912 4.70 (bid)

The above bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

PITTSBURGH, McKEESPORT & YOUGHIOGHENY RAILROAD

Second Mortgage 6s

Dated July 15, 1884

Maturing July 1, 1934

Interest payable January 1 and July 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$1,750,000

Outstanding \$1,000,000

Per mile . . . 16,400

Security: The above bonds are secured by a second mortgage on the property covered by the first mortgage of the Pittsburgh, McKeesport & Youghioghenny First 6s of 1932 (see above).

The bonds are GUARANTEED jointly and severally as to PRINCIPAL and INTEREST by the Pittsburgh & Lake Erie Railroad and the Lake Shore & Michigan Southern Railway Companies by endorsement.

For history of the Pittsburgh, McKeesport & Youghiogeny Railroad Company, see page 360.

These bonds were quoted in 1909 on a 4.40 basis (bid)

1910	4.60
1911	4.40
December, 1912	4.35

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

McKEESPORT & BELLE VERNON RAILROAD

First Mortgage 6s

Dated July 2, 1888

Maturing July 1, 1918

Interest payable January 1 and July 1 at Fidelity Title & Trust Company, Pittsburg.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$600,000

Outstanding \$600,000

Per mile . . . 21,430

Security: The above bonds are secured by a first mortgage on 27.80 miles of road, extending from Reynoldton to Belle Vernon, Pa.; also on lands, buildings, rolling stock, franchises, incomes, etc.

The bonds have been ASSUMED by the Pittsburgh, McKeesport & Youghiogeny Railroad Company.

Trustee: Fidelity Title & Trust Company, Pittsburg.

The McKeesport & Belle Vernon Railroad Company was chartered in 1886, and the road was opened for traffic in 1890. In 1890 the company was consolidated with the Pittsburgh, McKeesport & Youghiogeny Railroad Company, which owned the entire capital stock.

These bonds were quoted in 1909 on a 4.45 basis (bid)

1910	4.95
1911	4.65
1912	5.00

The above bonds are considered a legal investment for savings banks in Maine and Connecticut.

BOND DESCRIPTIONS OF CONTROLLED ROADS

Following is a description of the bond issues of companies operated independently but controlled through stock ownership by the Lake Shore & Michigan Southern Railway Company:

INDIANA HARBOR BELT RAILROAD

General Mortgage 4s and 2s

Dated July 1, 1907

Maturing July 1, 1957

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and multiples of \$5,000.

Coupon and registered bonds interchangeable.

Authorized \$25,000,000

Outstanding (4s)	\$1,725,000
(2s)	2,500,000
Per mile . . .	98,250

Provisions of issue: The \$4,225,000 outstanding comprise two issues, \$1,725,000 bearing 4% interest per annum, and \$2,500,000 bearing interest at the rate of 2% per annum the first five years, 3% per annum the second five years, and 4% per annum thereafter.

In addition to the amount outstanding, \$18,275,000 are reserved for improvements, additions, etc., and \$2,500,000 are reserved to retire a like amount of Cincinnati, Hamilton & Western 6s of 1927.

Security: These bonds are secured by a direct mortgage on 42.68 miles of road. They are secured by a first mortgage on 16.99 miles, and by a second mortgage on 25.69 miles, covered as a first lien by the Chicago, Hammond & Western First 6s of 1927 (see below). They are also secured by mortgage on lands, buildings, rolling stock and franchises in connection with said railroads, and all properties hereafter acquired by the use of bonds issued hereunder, and all incomes thereof.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST jointly and severally by the Lake Shore & Michigan Southern Railway Company and the Michigan Central Railroad Company.

Trustee: Guaranty Trust Company, New York.

The Indiana Harbor Belt Railroad was chartered under the laws of Indiana on May 16, 1896, as the East Chicago Belt Railroad Company. On June 29, 1907, the present title was adopted. The road connects the Atchison, Topeka & Santa Fe, the Baltimore & Ohio, the Chicago, Milwaukee & St. Paul, the Chicago & Northwestern, the Chicago, Burlington & Quincy, the Chicago, Rock Island & Pacific, the Cleveland, Cincinnati, Chicago & St. Louis, the Erie, the Illinois Central, the Lake Shore & Michigan Southern, and other roads entering Chicago.

The road is operated independently. Of the capital stock, 60% is owned equally by the Lake Shore & Michigan Southern Railway and the Michigan Central Railroad Companies, and 40% is owned equally by the Chicago & Northwestern and the Chicago, Milwaukee & St. Paul Railway Companies.

The above bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, HAMMOND & WESTERN RAILWAY

First Mortgage 6s

Dated January 1, 1897

Maturing January 1, 1927

Interest payable January 1 and July 1 at the Central Trust Company, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Authorized \$2,500,000

Outstanding \$2,500,000

Per mile . . . 96,150

Security: The above bonds are secured by a first mortgage on 25.69 miles of road, including 11.21 miles from Franklin Park to McCook, Ill., and 14.48 miles from Blue Island, Ill., to Whiting, Ind.; also on lands, buildings, franchises and incomes.

The bonds have been ASSUMED by the Indiana Harbor Belt Railroad Company.

Equity: This issue is prior in lien to the Indiana Harbor Belt Railroad General 4s and 2s of 1927, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: E. Francis Hyde, Esq.

The Chicago, Hammond & Western Railway Company was chartered under the laws of Illinois on April 21, 1896. In 1898 it was consolidated with the Chicago & Indiana State Line Railway under the name of the Chicago Junction Railway. July 1, 1907, the Chicago Junction Railway Company sold the property that had been the Chicago, Hammond & Western, now known as the "Outer Line," to the Indiana Harbor Belt Railroad, which assumed the First Mortgage 6s of 1927 as above.

These bonds were quoted in 1909 on a 4.65 basis (bid)

1910 4.70

1911 4.60

1912 4.50

The above bonds are considered a legal investment for savings banks in Maine.

TOLEDO & OHIO CENTRAL RAILWAY

First Mortgage 5s

Dated July 1, 1885

Maturing July 1, 1935

Interest payable January 1 and July 1 at the Central Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$5,000,000

Outstanding \$3,000,000

Per mile . . . 15,230

In accordance with the terms of the Toledo & Ohio Central Western Division Mortgage and the General Mortgage, no further bonds are to be issued.

Security: The above bonds are secured by a first mortgage on 197.27 miles of road, including the 160.57 miles from Toledo to Bremen, O.; also on all extensions hereafter made or acquired to or

within Toledo and Columbus, and on terminal property hereafter acquired in Toledo, Columbus and Corning. They are also secured on lands, buildings, rolling stock, franchises, incomes, etc.

Equity: These bonds are prior in lien to \$2,500,000 Toledo & Ohio Central Western Division 5s of 1935 and \$2,000,000 General 5s of 1935.

Trustee: Central Trust Company, New York.

The Toledo & Ohio Central Railway Company was incorporated under the laws of Ohio on June 30, 1885, as a reorganization of the Ohio Central Railroad Company. The road is controlled by the Lake Shore & Michigan Southern Railway Company through ownership of the entire outstanding capital stock.

These bonds sold in 1902 on a 4.20 to 4.30 basis

1903	4.25	4.48
1904	4.125	4.27
1905	4.05	4.15
1906	4.05	4.30
1907	4.30	5.00
1908	4.40	4.875
1909	4.20	4.35
1910	4.20	4.60
1911	4.30	4.40
1912	4.35	4.62

The above bonds are considered a legal investment for savings banks in Maine.

TOLEDO & OHIO CENTRAL RAILWAY

Western Division

First Mortgage 5s

Dated October 1, 1892

Maturing October 1, 1935

Interest payable April 1 and October 1 at the Central Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding \$2,500,000
Per mile . . . 6,330

Security: The above bonds are secured by a direct mortgage on 394.91 miles of road. They are secured by a first mortgage on 137.74 miles from Whitmore to Truro Junction, O.; and by a second mortgage on the 197.27 miles covered as a first lien by the Toledo & Ohio Central First 5s of 1935; and by a third mortgage on 59.90 miles covered as a first lien by the St. Mary's Division First 4s of 1951.

Equity: This issue is prior in lien to the Toledo & Ohio Central General 5s of 1935.

Trustee: New York Trust Company, New York.

For history of the Toledo & Ohio Central Railway Company, see above.

These bonds sold in 1902 on a 4.22 basis		
1903	4.23	to 4.40 basis
1904	4.35	
1905	4.05	4.15
1906	4.10	4.30
1907	4.30	5.35
1908	4.40	4.875
1909	4.25	
1910	4.375	(bid)
1911	4.45	(bid)
1912	4.45	

TOLEDO & OHIO CENTRAL RAILWAY

General Mortgage 5s

Dated June 1, 1894

Maturing June 1, 1935

Interest payable June 1 and December 1 at the Central Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile 5,065

Security: These bonds are secured by direct mortgage on 394.91 miles of road. They are secured by a second mortgage on the 137.74 miles covered as a first lien by the Toledo & Ohio Central Western Division First 5s of 1935; by a third mortgage on the 197.27 miles covered as a first lien by the Toledo & Ohio Central First 5s of 1935; and by a fourth mortgage on the 59.90 miles covered as a first lien by the Toledo & Ohio Central St. Mary's Division First 4s of 1951. They are also secured by mortgages on rolling stock, real estate, terminal properties, franchises, incomes, etc.

Trustee: Central Trust Company, New York.

For history of the Toledo & Ohio Central Railway Company, see page 364.

These bonds sold in 1902 on a 4.40 to 4.60 basis		
1903	4.27	4.70
1904	4.55	4.80
1905	4.30	4.55
1906	4.45	4.625
1907	4.50	5.35
1908	4.75	5.30
1909	4.65	4.95
1910	4.65	5.05
1911	4.70	4.90
1912	4.70	4.80

TOLEDO & OHIO CENTRAL RAILWAY

St. Mary's Division First Mortgage 4s

Dated February 1, 1901

Maturing February 1, 1951

Interest payable February 1 and August 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 8,330

Security: These bonds are secured by a first mortgage on 59.90 miles of road extending from Peoria to St. Mary's, O.; also on future acquisitions, etc.

Equity: This issue is prior in lien to \$500,000 St. Mary's Division First Preferred Income 4s of 1951; \$2,500,000 Western Division First 5s of 1935, and \$2,000,000 General 5s of 1935.

Trustee: Guaranty Trust Company, New York.

For history of the Toledo & Ohio Central Railway Company, see page 364.

These bonds were quoted in 1909 on a 4.40 basis (bid)

1910 4.60

1911 4.70

1912 4.85

TOLEDO & OHIO CENTRAL RAILWAY

St. Mary's Division First Preference Income 4s

Dated February 1, 1901

Maturing February 1, 1951

Interest payable, if earned, October 1 at the Second National Bank, Toledo, Ohio.

Registered bonds of \$1,000.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 8,330

Provisions of issue: "The Company . . . shall ascertain and declare the net earnings and income applicable to the payment of interest on the bonds issued hereunder, by deducting from the gross earnings of the branch line herein described, all sums paid for interest on bonds having prior lien, and all expenses and losses of operating said branch railroad, and for maintenance, taxes, repairs, renewals and such betterments to the road, equipment and property used on said road as the Company may deem necessary and apply such net earnings to the payment of the interest on the bonds issued hereunder."

Security: These bonds are secured by a second mortgage on the 59.90 miles of railroad extending from Peoria to St. Mary's, O., covered, as a first lien, by the St. Mary's Division First 4s of 1851.

Trustee: Standard Trust Company, New York.

For history of the Toledo & Ohio Central Railway Company, see page 364.

TOLEDO & OHIO CENTRAL RAILWAY

Equipment Trust Obligations

On December 31, 1911, the company had \$1,364,000 of Equipment Trust obligations outstanding as follows:

\$96,000 4½s maturing semi-annually to January 1, 1913.

398,000 4s maturing semi-annually to May 15, 1917.

960,000 4s maturing semi-annually to January 1, 1920.

KANAWHA & MICHIGAN RAILWAY

First Mortgage 4s

Dated June 3, 1890

Maturing April 1, 1990

Interest payable April 1 and October 1 at the Central Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$15,000 per mile

Outstanding \$2,469,000

Per mile . . . 14,700

Security: The above bonds are secured by direct first mortgage or by first collateral mortgage on 167 miles of railroad and bridge. They are secured by a first mortgage on 167 miles of line, including the 94 miles from Gauley Bridge, W. Va., to Point Pleasant, W. Va., and the 57 miles from Corning to Hobson, O. They are secured by collateral consisting of \$1,000,000 Point Pleasant Bridge First Mortgage Bonds (the entire issue) and \$998,000 of the \$1,000,000 capital stock.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Toledo & Ohio Central Railway Company by endorsement.

Trustee: Central Trust Company, New York.

The Kanawha & Michigan Railway Company was chartered April 23, 1890, under the laws of Ohio and West Virginia as successor to the Kanawha & Ohio Railway Company. Control of the road, which had been held by the Hocking Valley Railroad Company, was sold in March, 1910, to the Ches-

apeake & Ohio Railway and the Lake Shore & Michigan Southern Railway Companies, and these two roads now own jointly practically the entire outstanding capital stock.

These bonds sold in 1902 on a 4.05 to 4.25 basis

1903	4.10	4.55
1904	4.15	4.40
1905	4.02	4.20
1906	4.02	4.20
1907	4.15	5.05
1908	4.25	4.80
1909	4.20	4.40
1910	4.25	4.45
1911	4.35	4.45
1912	4.30	4.40

These bonds are considered a legal investment for savings banks in Maine.

KANAWHA & MICHIGAN RAILWAY

Second Mortgage 5s

Dated July 1, 1907

Maturing July 1, 1927

Interest payable January 1 and July 1 at the office of J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding \$2,500,000

Per mile . . . 14,800

Security: The above bonds are secured by a second mortgage on the 167 miles of road and bridge covered as a first lien by the Kanawha & Michigan First 4s of 1900.

Redemption: The company may pay off any or all of these bonds on any interest day at par and accrued interest, on three months' notice. In case less than the whole number of bonds are to be redeemed, the trustee shall select by lot the numbers of those to be paid off.

Trustee: Standard Trust Company, New York.

For history of the Kanawha & Michigan Railway Company, see page 367.

These bonds were quoted in 1909 on a 5.45 basis (bid)

These bonds sold in	1910	5.05 to 5.35 basis
	1911	5.10 5.35
	1912	5.05 5.25

KANAWHA & MICHIGAN RAILWAY

Equipment Trust $4\frac{1}{2}\%$ Gold Notes

Dated July 1, 1912

Maturing \$60,000 each January 1 and July 1 until July 1, 1922.

Interest payable January 1 and July 1 at New York.

Coupon notes of \$1,000.

Authorized \$1,200,000

Outstanding \$1,200,000

Security: The above notes are a direct obligation of the company and are secured by agreement covering 1,000 steel drop bottom coal cars, 100 Hart convertible steel underframe coal and ballast cars, 3 steel underframe passenger cars, 2 steel underframe baggage and mail cars, 10 consolidation freight locomotives and 2 switching locomotives. This equipment cost \$1,333,400, for which the company paid \$133,400 in cash and issued these notes for the remainder.

Title to the equipment remains with the Union Trust Company, Trustee, until the notes are paid.

Redemption: These notes are redeemable on any interest date on 30 days' notice at par and interest.

Trustee: Union Trust Company, New York.

For history of the Kanawha & Michigan Railway Company, see page 367.

LOUISVILLE & NASHVILLE RAILROAD COMPANY

LOUISVILLE & NASHVILLE RAILROAD COMPANY

HISTORY

The Louisville & Nashville Railroad was chartered on March 5, 1850, under the laws of the State of Kentucky. The plan of construction called for a line from Louisville, the tobacco center of Kentucky, to Nashville, Tennessee. After some delay, the road was constructed and finally opened to traffic in November, 1859.

The company paid its first dividend — 6% — in 1864. During the reconstruction period in the South, and up to the panic of 1873, the road earned and paid substantial dividends on its outstanding stock.

About 1870 it began a policy of extension, which has been kept up even to the present day. As a result, the mileage owned, leased and operated has increased from less than 400 to more than 4,700 miles, while the total mileage of the system, including controlled lines, amounts to nearly 8,000 miles.

By far the most important acquisition came in 1902, when the company purchased control of the Atlanta, Knoxville & Northern Railway, and the Chicago, Indianapolis & Louisville Railway. All the capital stock of the former was acquired in April of that year. A majority of the capital stock of the latter was purchased jointly by the Louisville & Nashville Railroad and the Southern Railway Companies. This purchase was financed through the issuance of joint bonds, of which there were outstanding on June 30, 1911, \$11,827,000, secured by \$3,873,400 preferred stock and \$9,796,900 common stock of the Chicago, Indianapolis & Louisville Railway Company.

It was in November, 1902, that control of the Louisville & Nashville Railroad was acquired by the Atlantic Coast Line Railroad Company through the purchase of \$30,600,000, being a majority of the capital stock, paying therefor \$10,000,000 in cash, \$35,000,000 in 4% Fifty-year Collateral Trust Bonds and \$5,000,000 in its own common stock.

The Louisville & Nashville Railroad Company owns \$7,177,600, or 72%, of the capital stock of the Nashville, Chattanooga & St. Louis Railway, a system operating 1,230 miles; also a majority of the stock of the Louisville, Henderson & St. Louis Railroad, purchased in 1905. The Louisville & Nashville Railroad and the Atlantic Coast Line Railroad Companies have leased jointly the Georgia Railroad Company and its dependencies, operating a total of 571 miles.

Besides this, the company owns one-half the capital stocks of the Central Transfer Railway & Storage Company, and the Woodstock & Blocton Railway Company, and the entire capital stock of the Madisonville, Hartford & Eastern Railroad. In June, 1909, the company bought the entire capital stock and the bonds of the Louisville & Atlantic Railroad Company, operating 101 miles. In November, 1909, the legal title to the property rights, privileges, immunities and franchises had been conveyed to the Louisville & Nashville Railroad Company, and from that time the road has been operated as a part of its system. On July 1, 1911, the property of the Athens & Tellico Railway Company was conveyed to the Louisville & Nashville Railroad Company and operated as a part of its system. This company had been organized in March, 1910, to take over the property and franchises of the Tellico Railway Company and operated it under its own organization until June 30, 1911.

During the fiscal year of 1912 the Louisville & Nashville acquired all the capital stock of the Lexington & Eastern Railway Company, which owns a line from Lexington to Quicksand, Kentucky,

a distance of 96 miles. This company is constructing a line from Dumont to Neon, Kentucky, a distance of 97 miles, with capital advanced by the Louisville & Nashville Railroad Company. The Louisville & Nashville Railroad and the St. Louis & San Francisco Railroad Companies have each acquired an equal number of shares of the preferred and common stock of the New Orleans, Mobile & Chicago Railway Company, constituting a majority of the outstanding stock of the same, and under an agreement dated November 15, 1911, between the two companies, the operation of the road will be continued as a separate organization.

The property of the Louisville & Nashville Terminal Company is leased jointly by the Louisville & Nashville Railroad Company and the Nashville, Chattanooga & St. Louis Railway Company. A new terminal at Memphis was put into operation April 1, 1912, for the joint use of the above and also the Southern Railway Company, the St. Louis, Iron Mountain, Southern Railway Company, and the St. Louis Southwestern Railway Company.

PROPERTY

In the annual report of the company for the fiscal year ending June 30, 1912, the following statement of mileage is given:

Miles owned in fee	3,538.63
Miles operated as owner of entire capital stock	632.05
Miles operated under lease	118.97
Miles operated for owners	221.88
Miles operated under trackage arrangements	228.96
Total miles owned and operated	4,740.49

The average miles operated by the company were 4,709.93. The entire system, including controlled lines, embraced a total mileage of 7,947.83 miles.

The Louisville & Nashville Railroad System extends from the commercial cities of Cincinnati, Louisville, Evansville and St. Louis on the north, southerly across the States of Kentucky, Tennessee, Alabama and Georgia, to New Orleans, Mobile and Pensacola. It taps all the important points of the Central South.

Its controlled lines extend into Chicago and Indianapolis on the north, and Atlanta, Augusta and Macon, Ga., on the east. The populations of the States served by the Louisville & Nashville Railroad have increased from 6,839,000 in 1890 to 9,162,500 in 1910.

Following is a table showing the equipment of the Louisville & Nashville Railroad, and operated lines, for the years 1907 to 1912 inclusive:

Class	1907	1908	1909	1910	1911	1912
Locomotives	865	896	899	928	971	998
Passenger cars	559	572	573	590	611	620
Freight cars	39,528	40,589	41,720	43,019	44,564	44,727
Work cars	1,452	1,503	1,421	1,429	1,648	1,884

CAPITALIZATION

The capitalization of the Louisville & Nashville Railroad Company for the fiscal year ending June 30, 1912, was approximately as follows:

Capital stock	\$60,000,000
Funded debt	155,220,157
Nominal capital	\$215,220,157
Rentals capitalized @ 5%	3,347,600
Gross capitalization	\$218,567,757
Securities owned	27,744,444
Net capitalization	\$190,823,313
Net capital per mile operated	\$40,514
Average miles operated	4,709.93
Net income to net capital	9.9%
Fixed charges to net income	49.7%
Margin of safety	50.3%

In the foregoing table the funded debt includes all the mortgage and collateral trust bonds of the company, \$19,117,000 of which are in the treasury of the company, together with \$24,657 of plain bonds, debentures and notes — obligations of the company. The rentals, which have been capitalized at 5%, are the guaranteed dividends on the stock of the Nashville & Decatur Railroad and additions and betterments on the same.

The Louisville & Nashville's net capitalization per mile operated, and the ratio of net income to net capital, as given above, compare favorably with the Illinois Central's net capitalization per mile of \$53,024, upon which it earned 6.3%, and that of the Atlantic Coast Line Railroad, \$34,303, with recorded earnings of 9.1%. The averages of these three similar properties for ten years ending June 30, 1912, are as follows:

	Net capital per mile	Net income to net capital
Louisville & Nashville	\$39,660	9.1%
Illinois Central	49,035	8.9
Atlantic Coast Line (ending 1911)	30,185	8.5

Since 1900 the Louisville & Nashville Railroad has increased its capitalization nearly \$47,000,000, or 28%. On the other hand, earnings have increased, in that time, \$28,500,000, or over 100%. The following table shows these increases:

Year	Capital stock	Funded debt	Total	Gross revenue
1900	\$55,000,000	\$113,264,660	\$168,264,660	\$27,742,379
1912	60,000,000	155,220,157	215,220,157	56,211,788
Increase			\$46,955,497	\$28,469,409
Per cent of increase			28%	102%

To offset its capitalization, in 1900 the company reported capital assets of approximately \$153,000,000, of which \$115,000,000 represented cost of road and equipment. In 1912 these capital assets had increased to \$216,000,000, of which \$177,000,000 was the amount at which property and

equipment was carried on the balance sheet. This is a gain of capital assets of approximately \$63,000,000.

At a meeting of the stockholders of the company on October 2, 1912, the directors were given authority to issue \$12,000,000 additional capital stock at par. Every stockholder has the privilege of subscribing to an additional amount of shares equal to 20% of his holdings.

CHARACTER OF TRAFFIC

The Louisville & Nashville Railroad Company gives no account of its traffic tonnage. It is a well-known fact, however, that cotton is the principal commodity carried. The road also taps large mineral deposits in Alabama and should have considerable tonnage from that source. It is not unreasonable to suppose that the Louisville & Nashville gets its share of the grain products, especially since it touches important Gulf ports. This should be especially true with the opening of the Panama Canal.

Based on the earnings of the company, nearly three-quarters of its gross business is freight. Following are some of the more salient freight statistics of the Louisville & Nashville for the years 1907 to 1912 inclusive:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	1,020,735	231	\$35,235,787	\$.0080
1908	924,686	234	31,334,940	.0078
1909	968,785	267	32,465,969	.0076
1910	1,124,001	278	38,421,779	.0075
1911	1,108,008	275	39,066,033	.0077
1912	1,098,169	285	40,601,288	.0079

In 1908 the company's freight business decreased, and with a decline in the average rate, earnings fell nearly \$4,000,000. Since that time, however, the road's freight density (except in 1912) and earnings have shown satisfactory increases. Efficiency in operation is shown by the healthy increase in the average number of revenue tons carried per train. Every train load averaged 54 tons heavier in 1912 than in 1907, a gain of 23%. For the decade ending 1912, the Louisville & Nashville's average train load has been 249 tons. Although not as high as the average figure of the Illinois Central, 340 tons, it was considerably higher than that of the Atlantic Coast Line Railroad, which reported an average for the decade of but 186 tons.

Fully one-quarter of the company's business is passenger. With the exception of 1909, there has been a steady increase since 1907 in the number of passengers carried one mile per mile of road, and also in passenger earnings, even in the face of declining rates.

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	100,509	45	\$12,399,326	\$.0236
1908	102,385	47	12,725,556	.0237
1909	98,719	45	12,335,095	.0232
1910	104,747	47	13,308,948	.0226
1911	111,270	48	14,201,524	.0227
1912	113,052	49	14,806,088	.0229

Passenger earnings in 1907 were the largest the company had ever reported, yet during the fiscal year 1912 the number of passengers carried one mile per mile of road showed an increase of

13% over the figure of 1907. The number of passengers carried per train averaged 10% higher, while earnings were nearly 20% greater in spite of a decline in the average rate per passenger per mile from 2.36 cents to 2.29 cents.

EARNINGS

The earnings of the Louisville & Nashville, especially in 1910 and 1912, showed substantial gains. Following are the gross and net revenues of the company, also based on the average miles operated, for the years 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907 . . .	4,306	\$48,263,945	\$11.207	\$12,482,642	\$2.898	74.14%
1908 . . .	4,348	44,620,281	10.262	11,025,990	2.537	75.29
1909 . . .	4,393	45,425,891	10.340	15,798,392	3.597	65.22
1910 . . .	4,554	52,433,382	11.512	17,447,803	3.831	66.72
1911 . . .	4,598	53,993,741	11.741	15,513,918	3.373	71.27
1912 . . .	4,710	56,211,788	11.934	16,585,461	3.521	70.19

Gross revenues fell off over \$3,600,000 in 1908 from the record figures of 1907, due to the general business depression. A curtailment of expense followed this decline in 1908 and 1909, so that the company, in the latter year, was able to show net earnings of nearly \$15,500,000 as compared with \$11,025,000 in 1908. The company's operating ratio in 1909 declined 10%, to 65.22%, due to an increase in gross revenue of \$800,000 and a decrease in maintenance charges of \$2,200,000 and in transportation costs of \$1,750,000.

In 1910, with the return of better times in the South, gross revenues climbed to over \$52,000,000, while operating expenses were increased but sufficiently to cover the cost of handling the additional business received. This enabled the company to show a record net revenue of nearly \$17,500,000 for the year. Increasing costs of transportation during 1911, however, cut net earnings for that year considerably. This was due in a considerable extent to a higher wage scale which went into effect early in 1911. As a result the company's ratio of operating expenses to operating revenues increased from 66.72% in 1910 to 71.27% in 1911.

MAINTENANCE

During the decade ending 1912, maintenance has averaged \$3,500 per mile. The average traffic density has been in the neighborhood of 1,104,750. The Illinois Central, with an average traffic density of 1,481,240, spent but slightly over \$3,705 per mile during the same period, while the Atlantic Coast Line Railroad, with an average density of but 384,000, since 1903, spent approximately \$1,600 each year.

The following amounts have been spent for maintenance of way and equipment by the Louisville & Nashville since 1907:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$8,065,898	\$8,709,610	\$16,775,508	\$3,896
1908	6,291,108	9,020,127	15,311,235	3,520
1909	5,257,037	7,832,021	13,089,058	2,979
1910	8,172,166	8,559,104	16,731,270	3,673
1911	9,178,192	9,490,759	18,668,951	4,060
1912	8,828,755	10,071,304	18,900,059	4,013

Since 1907, the Louisville & Nashville has spent \$100,000,000 for maintenance alone. This is an average of \$16,600,000 each year, or nearly \$3,690 per mile of road in operation.

ADDITIONS AND BETTERMENTS

It has been the policy of the company for a number of years to make liberal outlays for additions and betterments from current income, in addition to maintenance expenditures. Since July 1, 1907, in accordance with the rulings of the Interstate Commerce Commission, the road's disbursements for additions and betterments have been charged to Property Investment Account. For the decade prior to July 1, 1907, over \$17,000,000 had been charged to income and put directly back into the property. The following table shows the amounts spent since 1908 for betterments, all of which have been charged to Property Investment.

Year	Improvements	
	Way	Equipment
1908	\$1,690,468	
1909	866,546	
1910	1,890,462	\$1,038,281
1911	2,365,291	2,758,795
1912	4,819,586	1,664,199
	<hr/>	<hr/>
	\$11,632,353	\$5,461,275
		11,632,353
		<hr/>
Total		\$17,093,628

DIVIDENDS

The Louisville & Nashville Railroad Company has paid from the date of its organization to and including August, 1912, 63 cash dividends aggregating 189 $\frac{3}{4}$ %, or \$61,237,962. The following dividends have been paid since 1880:

Year	Rate	Extra	Year	Rate
1880	8%	100% (stock)	1894-8	
1881	6		1899	3.5%
1882	3		1900	4
1888-9	..	5% (stock)	1901-4	5
1890	1.1	4.9 (stock)	1905-7	6
1891	5		1908-9	5.5
1892	4 $\frac{1}{2}$		1910-12	7
1893	4			

The company, on its balance sheet of June 30, 1912, showed a Profit and Loss of \$37,095,000. Besides this, there was an appropriated surplus of \$2,606,445, the two equalling 66% of the total outstanding capital stock.

STATISTICS

Following are the capitalization, earnings, and traffic statistics of the Louisville & Nashville Railroad, based on the average miles operated, for the year 1900 and for the years 1905 to 1912 inclusive:

LOUISVILLE & NASHVILLE RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$18,290	\$37,667	\$1,031	\$57,098	\$17,843	\$39,165	3,007	50
1905	15,682	29,886	616	46,184	8,230	37,964	3,826	72
1906	14,524	31,264	814	46,602	7,301	39,301	4,131	73
1907	13,934	31,363	737	46,024	6,904	39,120	4,306	74
1908	13,796	31,433	734	45,963	7,470	38,493	4,348	82
1909	13,658	29,550	704	43,912	6,294	37,618	4,393	112
1910	13,175	34,118	655	47,948	5,238	42,710	4,554	...
1911	13,049	33,784	758	47,591	5,732	41,859	4,598	...
1912	12,738	32,955	711	46,404	5,890	40,514	4,710	...

Fiscal year	Gross operating revenue	Maintenance Way	Maintenance Equipment	Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
1900	\$9,224	\$1,313	\$1,239	\$3,633	\$3,039	\$216	\$3,255	\$2,052	\$1,203
1905	10,066	1,490	1,658	3,775	3,143	425	3,568	1,784	1,784
1906	10,411	1,583	1,886	4,019	2,933	379	3,302	1,765	1,537
1907	11,207	1,873	2,023	4,413	2,898	362	3,260	1,764	1,496
1908	10,262	1,446	2,074	4,205	2,537	304	2,841	1,825	1,016
1909	10,340	1,197	1,782	3,764	3,597	317	3,914	1,959	1,955
1910	11,512	1,794	1,870	4,068	3,881	407	4,238	1,952	2,286
1911	11,741	1,996	2,064	4,308	3,373	439	3,812	1,952	1,860
1912	11,934	1,875	2,138	4,400	3,521	517	4,038	2,009	2,029

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$702	...	\$501	67.06%	27.67%	39.39%	22.92%	16.2%	8.3%	6.5%
1905	941	...	843	68.77	31.27	37.50	17.7	21.7	9.3	11.3
1906	871	...	666	71.92	33.28	38.64	16.9	22.3	8.4	10.6
1907	836	...	660	74.14	34.74	39.40	15.7	24.3	8.3	10.7
1908	759	\$389	132*	75.29	34.27	41.02	17.8	22.3	7.4	7.3
1909	751	197	1,007	65.22	28.68	36.54	18.9	23.5	10.4	14.3
1910	922	...	1,364	66.72	31.87	34.85	16.9	24.0	9.9	17.3
1911	913	...	947	71.27	34.45	36.82	16.7	24.6	9.1	15.8
1912	891	...	1,138	70.49	33.63	36.86	16.8	25.7	9.9	15.9

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile Way	Conducting transportation per revenue train mile Equipment	Train mile earnings (net)	Rate per mile Per passenger	Rate per mile Per ton	Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
1900	\$1.61	\$.230	\$.217	\$.637	\$.526	\$.0231	\$.0076	858,544	223	24,374
1905	1.73	.256	.285	.648	.541	.0229	.0079	916,335	229	34,905
1906	1.72	.263	.313	.668	.476	.0243	.0080	950,325	230	38,437
1907	1.74	.291	.315	.686	.448	.0236	.0080	1,020,735	231	41,539
1908	1.73	.243	.349	.708	.430	.0237	.0078	924,686	234	42,664
1909	1.82	.211	.314	.662	.633	.0232	.0076	968,785	267	43,714
1910	1.90	.295	.309	.659	.637	.0226	.0075	1,124,001	278	45,038
1911	1.88	.326	.337	.704	.513	.0227	.0077	1,108,008	275	46,823
1912	2.00	.314	.358	.736	.592	.0229	.0079	1,098,169	285	47,231

* Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Louisville & Nashville Railroad System, together with the bases on which they have sold during the decade ending December 31, 1912:

LOUISVILLE & NASHVILLE RAILROAD

Unified Mortgage 4s

Dated June 2, 1890

Maturing July 1, 1940

Interest payable January 1 and July 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registrable as to principal or fully registrable in lots of \$5,000.

Registered bonds of \$5,000.

Authorized \$75,000,000

Outstanding \$57,871,000

Per mile . . . 28,893

Provisions of issue: Of the amount authorized, \$57,871,000 are in the hands of the public as above; \$5,739,000 are held by the company in the treasury and sinking fund; \$90,900 have been reserved for additions, etc., under restrictions; \$11,282,100 have been reserved to retire prior liens and \$17,000 are redeemed or drawn for payment.

Security: The above bonds are secured by a direct mortgage on 2,003.21 miles of the company's road, on lands, terminals, securities, equipment and future acquisitions. They are secured by a first mortgage on 724.71 miles; by a second mortgage on 1,122.48 miles covered by the first mortgages of the General 6s of 1930, Louisville & Nashville First 5s of 1937, Louisville, Cincinnati & Lexington General 4½s of 1931, Henderson Bridge 6s of 1931, and the Newport & Cincinnati Bridge General 4½s of 1943, and Birmingham Mineral 5s of 1937. They are further secured by a third mortgage on 156.02 miles covered by the first mortgage of the Evansville, Henderson & Nashville 6s of 1919 and by the second mortgage of the General 6s of 1930.

They are also secured by deposit with the trustee of the following securities: \$5,101,500 capital stock of the Nashville, Chattanooga & St. Louis Railway Company; \$2,000,000 preferred stock and \$1,127,400 common stock of the South & North Alabama Railway Company; \$963,400 capital stock of the Owensboro & Nashville Railway Company; \$19,750 Henderson Belt Railroad Company; \$980,000 capital stock of the Southeast & St. Louis Railway Company. In addition, the company's report shows the following securities deposited under this indenture: \$3,150,000 First 4s and \$1,969,000 capital stock of the Alabama Mineral Railroad Company; \$1,500,000 preferred and \$985,000 common stock of the Louisville, Cincinnati & Lexington Railway Company; \$2,412,600 capital stock of the Birmingham Mineral Railroad Company; \$501,000 capital stock of the Henderson Bridge Company; \$2,939,700 capital stock of the Mobile & Montgomery Railway Company; \$3,985,000 capital stock of the New Orleans, Mobile & Texas Railway Company; \$615,000 capital stock of the Nashville, Florence & Sheffield Railway Company; \$285,000 capital stock of the Pensacola Railroad Company; \$100,000 capital stock of the Louisville Transfer Company; \$589,256 capital stock of the Shelbyville Railroad Company.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 3.80 to 4.00 basis

1903	3.90	4.125
1904	3.75	4.10
1905	3.70	3.875
1906	3.75	4.10
1907	3.90	4.45
1908	3.85	4.30
1909	3.875	4.10
1910	3.95	4.30
1911	4.05	4.10
1912	4.02	4.20

These bonds are considered a legal investment for savings banks in New England.

LOUISVILLE & NASHVILLE RAILROAD

Evansville, Henderson & Nashville Division First Mortgage Sinking Fund 6s

Dated December 6, 1879

Maturing December 1, 1919

Interest payable June 1 and December 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,400,000

Outstanding \$1,080,000
Per mile . . . 6,900

\$1,320,000 of this issue have been retired by the sinking fund. They are redeemable, \$110,000 annually until 1914 and \$150,000 annually from 1915 to 1919, at 110.

Security: The above bonds are secured by a first mortgage on 156.02 miles of the company's line, including the 145.02 miles from Henderson, Ky., to Nashville, Tenn.

Equity: These bonds are prior in lien to the General 6s of 1920; also to the Unified 4s of 1940, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 4.65 to 4.95 basis

1903	4.70	4.95
1904	4.55	4.90
1905	4.38	4.60
1906	4.95	
1907	4.50	4.80
1909	4.55	4.62
1910	4.00	4.45
1911	4.10	4.35
1912	4.125	4.30

These bonds are considered a legal investment for savings banks in New England.

LOUISVILLE & NASHVILLE RAILROAD

General Mortgage Sinking Fund 6s

Dated June 1, 1880

Maturing June 1, 1930

Interest payable June 1 and December 1, 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000,000

Outstanding \$4,689,000
Per mile . . . 5,830

Provisions of issue: Although these bonds were authorized to the amount of \$20,000,000, the terms of the Unified Mortgage, dated June 1, 1890, limited this to \$11,900,000, the amount then outstanding. \$7,888,000 have been retired by the sinking fund, \$20,000 are in the treasury of the company and \$4,689,000 are outstanding as above.

Sinking fund: By the terms of the sinking fund, which became operative June 1, 1885, bonds are redeemable annually at 110 to an amount equal to $1\frac{1}{6}\%$ of the total issued, the bonds to be held in the sinking fund and interest thereon added to the fund.

Security: These bonds are secured by a direct mortgage on 803.54 miles of the company's line; also upon equipment, etc. They are secured by a first mortgage on 647.52 miles, including the road from Louisville, Ky., to Edgeville Junction, Tenn., 176.12 miles; from Memphis Junction, Ky., to Memphis, Tenn., 259.13 miles, and from Lebanon Junction to Livingston, Ky., 110.17 miles. They are also secured by a second mortgage on the 156.02 miles covered by the first mortgage of the Evansville, Henderson & Nashville Division 6s of 1919.

Equity: The above issue is prior in lien to the Unified 4s of 1940, a sufficient number of which have been reserved to provide for the retirement of these bonds.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 4.60 to 4.95 basis

1903	4.80	5.10
1904	4.55	4.95
1905	4.50	4.70
1906	4.60	4.95
1907	4.75	5.10
1908	4.55	5.05
1909	4.70	4.80
1910	4.70	5.00
1911	4.70	5.00
1912	4.55	4.95

These bonds are considered a legal investment for savings banks in New England.

LOUISVILLE & NASHVILLE RAILROAD

First Mortgage Fifty-year 5s

Dated April 30, 1887

Maturing May 1, 1937

Interest payable May 1 and November 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,500,000

Outstanding \$1,749,000
Per mile . . . 9,109

Provisions of issue: Although these bonds were authorized to the amount of \$3,500,000, the terms of the Unified Mortgage, dated June 1, 1890, limited this to \$1,764,000. Of this amount \$15,000 are held in the company's treasury and \$1,749,000 are in the hands of the public.

Security: These bonds are secured by a first mortgage on 192.20 miles of the company's line, including the 117.44 miles from Corbin, Ky., to Norton, Va., and also upon future acquisitions.

Equity: The above bonds are prior in lien to the Unified Mortgage 4s of 1940, a sufficient number of which have been reserved to provide for the retirement of the issue.

Trustee: United States Trust Company, New York.

The above bonds sold in 1902 on a 4.05 to 4.15 basis

1903	4.30	4.40
1904	4.05	4.20
1905	3.90	4.05
1906	3.80	4.15
1907	4.00	4.40
1908	4.35	
1909	4.00	4.15
1910	4.12	4.27
1911	4.20	
1912	4.20	4.30

These bonds are considered a legal investment for savings banks in New England.

NEWPORT & CINCINNATI BRIDGE COMPANY

General Mortgage 4½s

Dated July 1, 1895

Maturing July 1, 1945

Interest payable January 1 and July 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$1,400,000

Security: The above bonds are secured by a first mortgage on a bridge, .73 miles in length, crossing the Ohio River from Cincinnati, O., to Newport, Ky.; also by a mortgage on realty, approaches and future acquisitions.

Sinking fund: These bonds are to be purchased at par by a fund obtained by yearly instalments from net earnings equal to 1% of the then outstanding bonds. If bonds are not obtainable at par, the amount lapses into the treasury of the company.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company, and are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Equity: The above issue is prior in lien to the Louisville & Nashville Unified 4s of 1940.

Trustee: Farmers' Loan & Trust Company, New York.

The Newport & Cincinnati Bridge Company was chartered under the laws of the States of Ohio and Kentucky in 1868. The bridge was opened for traffic in 1872. It was rebuilt and put into operation in May, 1897. It was operated as a part of the Pennsylvania Company until April, 1904, when it passed into the control of the Louisville & Nashville Railroad Company through purchase of the entire capital stock.

These bonds sold in 1904 on a 3.90 to 4.10 basis

1905	4.05
1909	4.45 (bid)
1910	4.60 (bid)
1911	4.45 (bid)
December, 1912	4.45

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

Louisville, Cincinnati & Lexington Railway Company General Mortgage 4½s

Dated November 1, 1881

Maturing November 1, 1931

Interest payable May 1 and November 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$7,000,000

Outstanding \$3,258,000

Per mile . . . 18,406

Provisions of issue: The authorized issue was originally \$7,000,000 at 6%, but by an agreement of December 1, 1896, the issue was limited to \$3,258,000 and the interest rate was reduced to 4½%.

Security: The above bonds are secured by a first mortgage on 176.70 miles of the company's line, including the 109.70 miles from Louisville to Newport, Ky., and the 67 miles from La Grange to Lexington, Ky.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

Equity: These bonds are prior in lien to the Unified 4s of 1940, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Mercantile Trust Company, New York.

On October 1, 1877, the Louisville, Cincinnati & Lexington Railway Company succeeded the Louisville, Cincinnati & Lexington Railroad Company, which was sold under foreclosure. The latter road was the result of a consolidation on September 11, 1869, of the Louisville & Frankfort Railroad and the Lexington & Frankfort Railroad Companies. In 1881 the property of the Louisville, Cincinnati & Lexington Railway Company was purchased by the Louisville & Nashville Railroad Company, and is now operated as an integral part of that system.

These bonds sold in 1902 on a 3.95 basis

1903	4.00
1904	4.15
1905	3.95
1908	4.20 to 4.25
1909	4.00
1910	4.05 4.25
1911	4.10 4.20
1912	4.125 4.20

These bonds are considered a legal investment for savings banks in New England.

HENDERSON BRIDGE COMPANY

First Mortgage 6s

Dated September 1, 1881

Maturing September 1, 1931

Interest payable March 1 and September 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,126,000

Provisions of issue: In addition to the \$1,126,000 outstanding as above, \$874,000 are held in the company's treasury.

Sinking fund: "By a supplemental indenture dated February 27, 1884, it is provided that the Company pay to the trustees \$20,000 in bonds at par, or \$21,000 in cash, on August 1, 1885, and yearly thereafter until 1894, and on August 1, 1895, and yearly thereafter \$8,000 in bonds, or \$8,400 in cash. Which amounts shall be applied, first, to extraordinary repairs, if any, and next to the redemption of these bonds at 105, to be drawn by lot. The bonds redeemed shall be held uncanceled and the interest collected; and, if it be necessary to rebuild or repair some extraordinary damage, the trustees shall re-issue said bonds."

Security: The above bonds are secured by a first mortgage on the bridge across the Ohio River at Henderson, Ky., and the connecting railway and approaches to connect with the Southeast & St. Louis Railway, 10.03 miles; also on all other property of the company.

A yearly income from traffic of \$200,000 for 99 years is guaranteed by the Louisville & Nashville Railroad, the Southeast & St. Louis Railway, the Evansville & Terre Haute Railroad, the Louisville, Evansville & St. Louis Railway and the Peoria, Decatur & Evansville Railway Companies.

Equity: This issue is prior in lien to the Unified 4s of 1940.

Trustee: Central Trust Company of New York.

The Henderson Bridge & Railroad Company was organized under the laws of Kentucky, September 21, 1880, and the bridge was opened for traffic July 30, 1885. It was operated by the Louisville & Nashville Railroad Company, which, with other connecting roads, guaranteed to the Bridge Company tolls amounting to \$200,000 a year. Control of the entire capital stock of the company was procured by the Louisville & Nashville, \$501,000 of which is deposited as collateral to the Unified Mortgage 4s of 1940. The legal title to the property, rights, privileges and franchises of the Henderson Bridge & Railroad Company was conveyed to the Louisville & Nashville Railroad Company by deed dated June 30, 1906.

These bonds were quoted in 1906 on a 5.375 basis (bid)

1909	5.25
1910	5.75
1911	5.50
December, 1912	5.55

These bonds are considered a legal investment for savings banks in Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

New Orleans & Mobile Division First Mortgage 6s

Dated May 8, 1880

Maturing January 1, 1930

Interest payable January 1 and July 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,993,000

Per mile . . . 35,664

In addition to the amount outstanding, as above, \$7,000 are held by the trustee.

Security: The above bonds are secured by a first mortgage on the company's line from New Orleans to Mobile, 141.17 miles; also on lands, buildings, rolling stock, franchises, incomes, and creosote works at West Pascagoula, Miss. They are also secured by a first collateral lien on 7,118 shares of a total issue of 7,484 shares of capital stock of the Pontchartrain Railroad Company.

Equity: This issue is prior in lien to the New Orleans & Mobile Division Second 6s of 1930.

Trustee: Farmers' Loan & Trust Company, New York.

The New Orleans & Mobile Division of the Louisville & Nashville Railroad was chartered in Alabama in November, 1866, as the New Orleans, Mobile & Texas Railroad. On July 1, 1874, interest on the first mortgage bonds was defaulted and the road was placed in the hands of the trustees of that mortgage. The New Orleans, Mobile & Texas Railroad was sold under foreclosure, April 24, 1880, and reorganized as the New Orleans & Mobile Railroad. The following month the road was leased for 50 years to the Louisville & Nashville Railroad Company, which owns \$3,985,000 of the \$4,000,000 capital stock. On October 5, 1881, its property was conveyed to the Louisville & Nashville Railroad Company.

These bonds sold in 1902 on a 4.15 to 4.25 basis

1903	4.20	4.625
1904	4.05	4.45
1905	3.95	4.15
1906	4.00	4.20
1907	4.25	4.50
1908	4.45	4.80
1909	4.15	4.20
1910	4.125	4.375
1911	4.25	4.50
1912	4.30	4.37

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

New Orleans & Mobile Division Second Mortgage 6s

Dated October 5, 1881

Maturing January 1, 1930

Interest payable January 1 and July 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 7,142

Security: These bonds are secured by a second mortgage on the property covered by the New Orleans & Mobile Division First 6s of 1930, namely, on the company's line from New Orleans to Mobile, 140.36 miles; on lands, buildings, rolling stock, franchises, incomes, creosote works at West Pascagoula, and on 7,118 shares of capital stock of the Pontchartrain Railroad Company.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1902 on a 4.45 to 4.60 basis

1903 4.50

1904 4.40

1906 4.45

1909 4.50

1910 4.55

1911 4.55

1912 4.55

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

Pensacola Division First Mortgage 6s

Dated March 1, 1880

Maturing March 1, 1920

Interest payable March 1 and September 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$600,000

Outstanding \$274,000

Per mile . . . 6,100

Provisions of issue: In addition to the \$274,000 outstanding, \$6,000 are in the treasury of the company and \$320,000 have been redeemed or drawn for payment by the sinking fund.

Sinking fund: Under the provisions of this fund the company agrees to pay the trustees \$5,000 annually from 1885 to 1890; \$8,000 from 1891 to 1895; \$10,000 from 1896 to 1900; \$15,000 from 1901 to 1905; \$20,000 from 1906 to 1910; \$25,000 from 1911 to 1915; and \$36,000 from 1916 to 1920

for the purchase of these bonds at not exceeding 105. If bonds cannot be obtained at the price, they are to be drawn by lot, and all bonds so redeemed are to be reported in the annual report to the stockholders.

Security: The above bonds are secured by a first mortgage on the company's line from Pensacola to Flomaton (a junction with the Mobile & Montgomery Railway), 44.64 miles; also on all lands used in connection with said road, buildings, rolling stock and franchises.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1902 on a 4.65 to 4.75 basis

1905	4.70	
1906	5.25	
1909	5.15	
1910	4.70	5.30
1911	5.20	
December, 1912	5.10	(bid)

The above bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

Mobile & Montgomery Railway First Mortgage 4½s

Dated September 2, 1895

Maturing September 1, 1945

Interest payable March 1 and September 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,000,000
Per mile . . . 22,471

Provisions of issue: \$1,000,000 of the amount authorized is reserved for extensions, improvements, etc.

Security: These bonds are secured by a first mortgage on the company's line from Montgomery to Mobile, Ala., a distance of 178.49 miles; also on lands, buildings, rolling stock, franchises and future acquisitions.

The bonds are a JOINT OBLIGATION of the Louisville & Nashville Railroad and the Mobile & Montgomery Railway Companies.

Trustee: Central Trust Company, New York.

The Mobile & Montgomery Railroad Company was formed in 1868 as a consolidation of the Mobile & Great Northern and the Alabama & Florida Railway Companies. It was purchased by the bondholders and reorganized in 1874 as the Mobile & Montgomery Railway Company. In 1881

the Louisville & Nashville Railroad Company leased the property for 20 years, the surplus income to revert to the lessee. In December, 1900, the road was deeded to the Louisville & Nashville Railroad Company, which owns practically the entire capital stock.

These bonds sold in 1902 on a 4.00 basis		
1903	4.12 to	4.15
1904	4.05	4.20
1905	4.00	4.10
1906	4.00	4.10
1908	4.35	4.65
1909	4.22 (bid)	
1910	4.20	4.37
1911	4.27 (bid)	
1912	4.25	4.30

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

NASHVILLE, FLORENCE & SHEFFIELD RAILWAY

First Mortgage 5s

Dated August 1, 1877

Maturing August 1, 1937

Interest payable February 1 and August 1 at 71 Broadway, New York.

Coupon bonds of \$1,000.

Authorized \$2,500,000

Outstanding \$1,996,000
Per mile . . . 19,100

Provisions of issue: The above bonds are issuable at not exceeding \$20,000 per mile, and in addition to the amount now outstanding, \$100,000 are held in the treasury of the company, and \$404,000 are still to be issued.

Security: These bonds are secured by a first lien on 104.83 miles of the company's line, including the road from Columbia, Tenn., to Sheffield, Ala., 82.13 miles; also on all lands, buildings, rolling stock and franchises, now owned or hereafter acquired, excepting the bridge over the Tennessee River.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

Trustee: Central Trust Company, New York.

The Nashville, Florence & Sheffield Railway was incorporated May 16, 1887, as a consolidation of the Nashville & Florence Railroad and the Tennessee & Alabama Railroad Companies. On April 10, 1900, the road was purchased at foreclosure sale by the Louisville & Nashville Railroad Company, subject to the payment of \$2,096,000 outstanding First Mortgage 5s, which were secured on the road. The road now forms a part of the Louisville & Nashville Railroad Company, which owns the entire capital stock.

These bonds sold in 1902 on a 4.20 basis

1903	4.20	to 4.62 basis
1904	4.10	4.15
1905	4.125	4.20
1906	4.00	4.35
1907	4.20	
1908	4.20	4.375
1909	4.05	4.25
1910	4.20	4.60
1911	4.20	4.45
1912	4.35	4.45

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

Paducah & Memphis Division First Mortgage 4s

Dated February 1, 1896

Maturing February 1, 1946

Interest payable February 1 and August 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,619,000
Per mile . . . 18,185

Provisions of issue: These bonds were authorized to the amount of \$5,000,000, \$3,800,000 on account of the purchase price of the property and \$1,200,000 to be issued for additional rolling stock, additions and improvements. In addition to the \$4,619,000 in the hands of the public, \$217,000 are held in the treasury of the company, and \$164,000 are still to be issued.

Security: The above bonds are secured by a first mortgage on 254.20 miles of the company's line, including the road from Paducah, Ky., to Lexington, Tenn., and from Memphis to Perryville, Tenn.; also on all lands, buildings, rolling stock and franchises, now owned or hereafter acquired for use in connection with this line of road; also all incomes.

Trustee: Manhattan Trust Company, New York.

The Paducah & Memphis Division of the Louisville & Nashville Railroad Company comprises the mileage in operation of the old Paducah, Tennessee & Alabama Railroad and the Tennessee Midland Railway Companies, which were purchased in 1895 by the Louisville & Nashville Railroad Company. Their operation was assigned to the Nashville, Chattanooga & St. Louis Railway Company as of January 1, 1896, for 99 years, at a rental equalling 5% of the purchase price of the property and an additional rental of 5% of the costs of additions, betterments and equipment.

These bonds were quoted in 1909 on a 4.20 basis (bid)

They sold in	1910	on a 4.25 basis
	1911	4.20 to 4.27 basis
	1912	4.22 4.37

These bonds are considered a legal investment for savings banks in Maine.

PENSACOLA & ATLANTIC RAILROAD

First Mortgage 6s

Dated August 1, 1881

Maturing August 1, 1921

Interest payable February 1 and August 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$1,873,000

Per mile . . . 11,600

Provisions of issue: Of the amount authorized, \$1,873,000 are in the hands of the public as above, and \$1,127,000 have been redeemed or drawn for payment.

Security: The above bonds are secured by a first mortgage on the company's line from Pensacola, Fla., to River Junction (a junction with the Jacksonville, Pensacola & Mobile Railroad), 160.47 miles; also on all property to be used in connection therewith, and all franchises pertaining to the road; on buildings, rolling stock, machinery, material, future acquisitions and land, but not including any land grants not used in the operation of the road.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

Sinking fund: An amount equal to $1\frac{1}{8}\%$ of bonds issued is to be applied to the purchase of these bonds at 110. Bonds so purchased are to be kept alive in the fund and the interest to be added to the annual amount. Bonds are to be drawn by lot for the sinking fund.

The Pensacola & Atlantic Railroad Company was chartered March 4, 1881, and was completed in 1883. In 1885 the Louisville & Nashville Railroad Company undertook the operation of the road, and on May 4, 1891, bought it at foreclosure sale for the protection of its own interests therein, as it was a large creditor of the Pensacola & Atlantic.

These bonds sold in 1909 on a 4.80 to 5.00 basis

1910	4.75
1911	4.70 (bid)
1912	4.375 to 4.60

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

Southeast & St. Louis Division First Mortgage 6s. Second Mortgage 3s

Dated January 27, 1881

Maturing (6s) March 1, 1921
(3s) March 1, 1980

Interest payable March 1 and September 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized (6s) \$3,500,000
(3s) \$3,000,000

Outstanding (6s) \$3,500,000
Per mile 16,746
(3s) \$2,998,000
14,344

Security: The above bonds are secured, in order of their priority, by a first mortgage and a second mortgage respectively on 208.74 miles of the Southeast & St. Louis Railway, including the road from East St. Louis to Evansville, Ill., 162 miles; also on lands, buildings, rolling stock, franchises and incomes.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

The Southeast & St. Louis Railway Company resulted from the reorganization of the St. Louis & Southeastern Railway Company in 1880. The latter was formed in 1872 as the consolidation of the St. Louis & Southeastern Railroad, the Evansville, Henderson & Nashville Railroad, and the Edgefield & Kentucky Railroad Companies, but upon default of its interest payments in November, 1874, it was placed in the hands of receivers, who operated it until the Southeast & St. Louis Railway Company took it over.

By an indenture dated January 27, 1881, the Southeast & St. Louis Railway Company leased its property to the Louisville & Nashville Railroad Company for 49 years at an annual rental of 35% of its gross earnings, or an amount at least equivalent to all taxes and interest on the company's bonds.

Of the \$1,000,000 capital stock of the Southeast & St. Louis Railway Company, \$980,000 is held by the trustees of the Unified 4s of 1940, and the balance is in the treasury of the company or owned by directors.

The property of the company is now operated as the Southeast & St. Louis Division of the Louisville & Nashville System.

The First 6s sold in 1902 on a 3.95 to 4.05 basis

1904	4.20	4.40
1905	4.15	
1906	4.15	4.40
1907	4.10	4.35
1909	4.15	4.20
1910	4.37	4.50
1911	4.375	
1912	4.25	4.30

The Second 3s sold in 1902 on a 3.90 to 4.05 basis

1905	4.05	
1906	4.25	
1907	4.25	4.90
1909	4.30	
1910	4.30	(bid)
1911	4.30	
1912	4.40	

The First Mortgage 6s are considered a legal investment for savings banks in New England.

The Second Mortgage 6s are considered legal for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD

First Mortgage Collateral Trust 5s

Dated April 1, 1888

Maturing November 1, 1931

Interest payable May 1 and November 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$7,000,000

Outstanding \$4,705,000

Per mile . . . 17,890

Provisions of issue: Of the total amount authorized, but \$5,129,000 have been issued, of which \$4,705,000 are outstanding in the hands of the public as above, and \$424,000 are held in the treasury of the company.

Security: These bonds are in effect a first mortgage on 263.03 miles of road, being secured by deposit with the trustee of \$5,129,000 bonds — \$3,929,000 (entire issue) Birmingham Mineral First 5s of 1937 and \$1,200,000 (entire issue) Owensboro & Nashville First 6s of 1931.

Trustee: Farmers' Loan & Trust Company, New York.

The above bonds sold in 1902 on a 4.05 to 4.35 basis

1903	4.10	4.45
1904	4.00	4.40
1905	3.875	4.15
1906	4.00	4.15
1907	4.40	4.75
1908	4.35	4.85
1909	4.25	4.375
1910	4.25	4.50
1911	4.25	4.35
1912	4.20	4.40

These bonds are considered a legal investment for savings banks in Massachusetts and New Hampshire.

LOUISVILLE & NASHVILLE RAILROAD

Atlanta, Knoxville & Cincinnati Division Mortgage Gold 4s

Dated May 1, 1905

Maturing May 1, 1955

Interest payable May 1 and November 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$20,245,000

Per mile . . . 24,400

Provisions of issue: In addition to the amount outstanding in the hands of the public as above, \$4,115,000 are held in the treasury of the company; \$8,205,000 are reserved to retire underlying liens, and \$17,435,000 are reserved for double-tracking and for additional lines of road at a rate not exceeding \$30,000 for each mile of single track or \$40,000 for each mile of double track.

Security: The above bonds are secured by a direct mortgage on 829.99 miles of road. They are secured by a first mortgage on 203.68 miles; by a second mortgage on 286.53 miles, including 69.31 miles covered by the first mortgage of the Unified 4s of 1940, 214 miles covered by the Kentucky Central 1st 4s of 1937 and 3.2 miles covered by the General 6s of 1930; by a third mortgage on 339.78 miles of road, including the 332.13 miles covered by the Atlanta, Knoxville & Northern First 5s of 1946. They are also secured by direct mortgage on the bridge across the Ohio River from Newport, Ky., to Cincinnati, O.; terminal property in Cincinnati, all lands, tracks, branches, buildings, rolling stock, supplies, rents, incomes, rights, franchises, etc., used in connection with the above railroads, whether now owned or hereafter acquired, but not including any railways not acquired or constructed with bonds issued hereunder nor any equipment appertaining to the same.

Trustee: United States Trust Company, New York.

These bonds sold in 1907 on a 4.60 basis

1908	4.20 to 4.75
1909	4.15 4.30
1910	4.25 4.45
1911	4.30 4.40
1912	4.35 4.45

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

KENTUCKY CENTRAL RAILWAY

First Mortgage 4s

Dated July 1, 1887

Maturing July 1, 1987

Interest payable January 1 and July 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$7,000,000

Outstanding \$6,704,000

Per mile . . . 31.327

Provisions of issue: Although these bonds were authorized to the amount of \$7,000,000, this was limited by the terms of the Atlanta, Knoxville & Cincinnati Division Mortgage to \$6,742,000, of which \$6,704,000 are in the hands of the public, as above, and \$38,000 are in the treasury and \$6,000 in sinking funds of the Louisville & Nashville Railroad Company.

Security: The above bonds are secured by a first mortgage on the Kentucky Central Railway's line for 214.02 miles, including the road from Covington to Richmond and from Fort Estill to Sinks, Ky., 146.68 miles; also all the lands, buildings, rolling stock, incomes and franchises now owned or hereafter acquired, and all the property purchased at the foreclosure sale of the Kentucky Central.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

Equity: The above issue is prior in lien to the Atlanta, Knoxville & Cincinnati Division First 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Metropolitan Trust Company, New York.

The Kentucky Central Railway Company was organized in 1887 as a reorganization of the Kentucky Central Railroad Company. The latter was chartered in 1875, taking possession of the property of the Kentucky Central Association, an organization of the bondholders of the Covington & Lexington Railroad and the Maysville & Lexington Railroad Companies, which were sold under foreclosure in 1865.

In December, 1890, the Louisville & Nashville Railroad Company acquired control of the Kentucky Central Railway by purchase of the entire capital stock on the basis of \$1,500,000 Unified 4s and \$2,000,000 South & North Alabama Railroad Consolidated 5s for \$6,908,806 stock. Since 1891 the Kentucky Central Railway has been operated as an integral part of the Louisville & Nashville Railroad System.

These bonds sold in 1902 on a 3.95 to 4.05 basis

1903	4.00	4.15
1904	3.95	4.10
1905	3.90	4.05
1906	3.95	4.05
1907	4.10	4.30
1908	4.10	4.55
1909	4.05	4.20
1910	4.10	4.25
1911	4.15	4.25
1912	4.20	4.40

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ATLANTA, KNOXVILLE & NORTHERN RAILWAY

First Mortgage 5s

Dated December 1, 1896

Maturing December 1, 1946

Interest payable June 1 and December 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$999,000

Per mile . . . 3,009

Provisions of issue: Although authorized to the amount of \$1,500,000, this issue has been limited by the terms of the Atlanta, Knoxville & Cincinnati Mortgage to \$1,000,000, of which \$1,000 are in the treasury of the company, and \$999,000 are in the hands of the public, as above.

Security: The above bonds are secured by a first mortgage on 332.13 miles of Atlanta, Knoxville & Northern road, including the mileage from Junta, Ga., to Knoxville, Tenn., 146.94 miles; and from Etowah, Tenn., to Marietta, Ga., 142.82 miles, together with all branches or extensions which the company may be authorized to and may construct; also all title and interest in the line of telegraph on its right of way; also the bridge over the Tennessee River at Knoxville; and all lands, buildings, rolling stock, franchises and incomes.

These bonds have been ASSUMED by the Louisville & Nashville Railroad Company.

Equity: This issue is prior in lien to \$500,000 First Consolidated 4s of 2002 and to the Atlanta, Knoxville & Cincinnati Division 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of this issue at maturity.

Trustee: Central Trust Company, New York.

The Atlanta, Knoxville & Northern Railway Company was chartered June 4, 1896, as successor to the Marietta & North Georgia Railway Company. The latter was a consolidation in 1887 of the Marietta & North Georgia Railroad and the Georgia & North Carolina Railroad Companies.

In 1905 the legal title to the property of the Atlanta, Knoxville & Northern was conveyed to the Louisville & Nashville Railroad Company, subject to the lien of the above First Mortgage 5s and the Consolidated 4s. The road is now operated as a part of the Louisville & Nashville System.

These bonds sold in 1902 on a 4.25 basis

1904	4.35	
1905	4.25 to 4.30	
1906	4.15	
1909	4.55	4.80
1910	4.35	4.45
1911	4.30	4.35
1912	4.30	

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ATLANTA, KNOXVILLE & NORTHERN RAILWAY

First Consolidated 4s

Dated March 1, 1902

Maturing March 1, 2002

Interest payable March 1 and September 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000 per mile

Outstanding \$500,000
Per mile . . . 1,500

Provisions of issue: These bonds were authorized at the rate of \$10,000, but this was limited by terms of the Atlanta, Knoxville & Cincinnati Division 5s to \$1,280,000. Of this amount \$780,000 have been redeemed and \$500,000 are in the hands of the public, as above.

Security: The above bonds are secured by a second mortgage on the mileage covered by the first lien of the Atlanta, Knoxville & Northern First 5s of 1946.

They are ASSUMED by the Louisville & Nashville Railroad Company.

Equity: This issue is prior in lien to the Atlanta, Knoxville & Cincinnati Division 4s of 1955, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: United States Trust Company, New York.

For history of the Atlanta, Knoxville & Northern Railway Company, see page 398.

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

LOUISVILLE & NASHVILLE TERMINAL COMPANY

First Mortgage 4s

Dated December 1, 1902

Maturing December 1, 1952

Interest payable June 1 and December 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$2,500,000

Provisions of issue: These bonds are reserved for additions and improvements to the amount of \$465,000. \$35,000 are held in the treasury of the Louisville & Nashville Railroad Company, and \$2,500,000 are in the hands of the public, as above.

Security: These bonds are secured by a first mortgage on terminal property in Nashville and on buildings, tracks and other terminal facilities now situated thereon or hereafter acquired; and on leases and the income thereof.

The above bonds are GUARANTEED jointly and severally as to PRINCIPAL and INTEREST by the Louisville & Nashville Railroad Company and the Nashville, Chattanooga & St. Louis Railway Company.

Trustee: Manhattan Trust Company, New York.

The Louisville & Nashville Terminal Company was incorporated under the laws of the State of Tennessee in March, 1893. The property of the company is leased jointly by the Louisville & Nashville Railroad and the Nashville, Chattanooga & St. Louis Railway Companies at a rental of 4% per annum upon the cost, use of the property and number of cars handled determining the proportion paid by each company. Operating expenses are also divided upon this basis.

These bonds were quoted in 1909 on a 4.15 basis (bid)

1910	4.30
1911	4.30
August, 1912	4.30

SOUTH & NORTH ALABAMA RAILROAD

Consolidated Mortgage 5s

Dated April 10, 1886

Maturing August 1, 1936

Interest payable February 1 and August 1 at 71 Broadway, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$7,292,000
Per mile . . . 36,460

Provisions of issue: In addition to the \$7,292,000 in the hands of the public, \$2,208,000 are in the treasury of the Louisville & Nashville Railroad Company, and \$500,000 are deposited as collateral for the Georgia Railroad lease.

Security: These bonds are secured by a first mortgage on 200.46 miles of road, including the line from Decatur to Montgomery, Ala., 183 miles; also on any and all tracks and road hereafter constructed or acquired between said points.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Louisville & Nashville Railroad Company by endorsement.

Equity: The above bonds are prior in lien to the South & North Alabama Railroad Improvement 5s of 1936 which are held in the treasury of the Louisville & Nashville Railroad Company.

Trustee: Central Trust Company, New York.

The South & North Alabama Railroad was chartered under the laws of the State of Alabama on February 17, 1854. The main line was opened for traffic on October 1, 1872. The road is operated by the Louisville & Nashville Railroad Company, which owns all the preferred stock and \$1,135,233 of the \$1,493,588 common stock of the company.

These bonds sold in 1903 on a 4.65 to 4.75 basis

1904	4.05	4.30
1905	4.05	4.15
1907	4.30	4.45
1908	4.25	
1909	4.05	4.35
1910	4.10	4.375
1911	4.20	4.30
1912	4.25	4.37

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

WESTERN RAILWAY OF ALABAMA

Consolidated First Mortgage 4½%

Dated October 1, 1888

Maturing October 1, 1918

Interest payable April 1 and October 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,543,000

Outstanding \$1,543,000

Per mile . . . 11,690

Security: These bonds are secured by a first mortgage on 132 miles of road extending from Selma, Ala., to West Point, Ga., and on lands, depots, buildings, rolling stock and equipment, whether now owned or hereafter purchased by the company for use on its railway, and on all franchises, incomes and profits thereof.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Georgia Railroad & Banking Company and are GUARANTEED as to INTEREST jointly by the Atlantic Coast Line Railroad and the Louisville & Nashville Railroad Companies under the terms of its lease.

Trustee: The Metropolitan Trust Company, New York.

The Western Railway of Alabama was chartered March 15, 1883, under the laws of the State of Alabama and took over the property of the Western Railroad of Alabama, which was organized in 1870 as a consolidation of the Montgomery & West Point Railroad and the Western Railway of Alabama. The capital stock of the Western Railway of Alabama is owned by the Central of Georgia Railway Company and the Georgia Railroad & Banking Company, and the road is operated jointly for the benefit of the Atlantic Coast Line Railroad Company and the Louisville & Nashville Railroad Company.

The above bonds were quoted in 1909 on a 4.65 basis (bid)

1910	4.95
1911	5.20
December, 1912	5.50

These bonds are considered a legal investment for savings banks in Rhode Island.

LOUISVILLE & NASHVILLE RAILROAD COMPANY-SOUTHERN RAILWAY

Joint Monon First Collateral Trust 4s

Dated July 1, 1902

Maturing July 1, 1952

Interest payable on coupon bonds January 1 and July 1; on registered bonds January 1, April 1, July 1 and October 1 at the office of J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000, or multiples of \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$15,500,000

Outstanding \$11,765,000

Provisions of issue: Of the \$15,500,000 authorized, \$11,827,000 have been issued, \$62,000 of which are held by the Louisville & Nashville Railroad and Southern Railway Companies and \$11,765,000 are in the hands of the public as above. \$2,000,000 are reserved for improvements and betterments to the Chicago, Indianapolis & Louisville Railway property at not over \$500,000 per year, and \$1,673,000 are issuable in exchange for the latter company's stock outstanding at the rate of \$90 for each share of preferred and \$78 for each share of common.

Redemption: The above bonds are redeemable at 105 and interest on any January 1 or July 1 on two months' notice. Not less than \$1,000,000 bonds shall be called for redemption at any one time, and no registered bonds shall be called until all coupon bonds have been redeemed. If only a portion of the issue is to be redeemed, the bonds shall be drawn by lot.

Security: These bonds are a joint obligation of the Louisville & Nashville Railroad and Southern Railway Companies. They are secured by a first collateral mortgage on \$9,796,900 common stock and \$3,873,400 preferred stock of the Chicago, Indianapolis & Louisville Railway Company, this stock being owned in equal amounts by the two issuing companies. If either company defaults its obligations in regard to this issue, the shares of the defaulting company shall become the property of the non-defaulting company which shall become liable for the full mortgage. As long as these bonds are outstanding, the Chicago, Indianapolis & Louisville Railway Company agrees not to issue any new bonds except to refund existing obligations and to acquire additional property.

Trustee: Standard Trust Company, New York.

These bonds sold in 1903 on a 4.40 to 4.85 basis

1904	4.15	4.55
1905	4.05	4.20
1906	4.10	4.35
1907	4.40	4.70
1908	4.60	5.20
1909	4.45	4.65
1910	4.40	4.62
1911	4.45	4.65
1912	4.55	4.65

LOUISVILLE & NASHVILLE RAILROAD

St. Louis Property First Mortgage 5s

Dated February 29, 1896

Maturing March 1, 1916

Interest payable March 1 and September 1 at St. Louis Union Trust Company, St. Louis.

Coupon bonds of \$1,000.

Authorized \$650,000

Outstanding \$617,000

Security: These bonds are secured by a first mortgage on a block of land bounded by Cass Avenue, Broadway, Dickson Street and Collins Street, and on lots of land on Collins Street and Cass Avenue, in the City of St. Louis.

Trustee: St. Louis Union Trust Company, St. Louis.

These bonds were quoted in 1909 on a 4.65 basis (bid)
1910 4.60

The above bonds are considered a legal investment for savings banks in Maine and New Hampshire and Rhode Island.

BOND DESCRIPTIONS OF CONTROLLED ROADS

Following are descriptions of the bond issues of companies operated independently but controlled through stock ownership by the Louisville & Nashville Railroad Company.

LOUISVILLE, HENDERSON & ST. LOUIS RAILWAY

First Mortgage 5s

Dated June 1, 1896

Maturing July 1, 1946

Interest payable January 1 and July 1 at the Bank of America, New York.

Coupon bonds of \$500, registerable as to principal.

Authorized \$2,500,000

Outstanding \$2,500,000
Per mile . . . 15,150

Security: These bonds are secured by a first mortgage on 165.20 miles of road, including the line from West Point to Henderson, Ky., 121.40 miles, together with all lands, buildings, rolling stock and franchises now owned or hereafter acquired in connection with said railroad, and all incomes thereof.

Trustee: Guaranty Trust Company, New York.

The Louisville, Henderson & St. Louis Railway was incorporated May 29, 1896, under the laws of Kentucky, as the reorganization of the Louisville, St. Louis & Texas Railway Company. The road is operated by its own organization, although controlled by the Louisville & Nashville Railroad Company, which owns 81.57% of the common stock and 38.8% of the preferred stock.

These bonds sold in 1902 on a 4.40 to 5.125 basis

1903	4.72	5.05
1904	4.40	4.95
1905	4.25	4.60
1906	4.35	4.55
1907	4.55	4.875
1908	4.50	4.75
1909	4.50	(bid)
1910	4.60	(bid)
1911	4.50	(bid)
December, 1912	4.65	(bid)

The above bonds are considered a legal investment for savings banks in Maine.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

First Mortgage 7s

Dated July 1, 1873

Maturing July 1, 1913

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$1,000.

Authorized \$6,500,000

Outstanding \$6,300,000
Per mile . . . 18,530

Provisions of issue: By the terms of the Nashville, Chattanooga & St. Louis Railway First Consolidated Mortgage the additional \$500,000 of the First Mortgage 7s are not to be issued.

Security: The above bonds are secured by a first mortgage on 340.22 miles of road including the line from Chattanooga, Tenn., to Hickman, Ky., 320.21 miles; on branch lines; on terminal properties at Chattanooga and Hickman; on land in Nashville and Chattanooga, and on buildings, rolling stock and franchises.

Equity: These bonds are prior in lien to the First Consolidated 5s of 1928 and their retirement is provided for by the terms of that mortgage.

The Nashville, Chattanooga & St. Louis Railway Company was organized January 24, 1848, as the Nashville & Chattanooga Railroad Company. In 1873 the present title was adopted. In 1880 the Louisville & Nashville Railroad Company acquired 55% of the capital stock of the company, and on June 30, 1911, it owned 71.78%, or \$7,177,600 out of a total of \$10,000,000. The road is operated by its own management, although under the control of the Louisville & Nashville Railroad Company.

The above bonds sold in 1902 on a 3.75 to 4.05 basis

1903	3.95	4.40
1904	3.70	4.30
1905	3.65	4.05
1906	3.80	4.45
1907	3.55	5.40
1908	3.50	4.70
1909	3.70	4.70
1910	3.375	4.70
1911	3.60	4.70
July, 1912	4.125	(bid)

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

Tracy City Branch First Mortgage 6s

Dated January 1, 1887

Maturing 20,000 each January 1, to 1916
100,000 January 1, 1917

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Authorized \$600,000

Outstanding \$180,000
Per mile . . . 8,700

Provisions of issue: \$420,000 of this issue have matured and been paid. The bonds are numbered from 1 to 600 and are payable in numerical order. On January 1, 1912, Nos. 401 to 420 were paid.

Security: The above bonds are secured by a first mortgage on 20.73 miles of road extending from Cowan (a point on the main line) to Tracy City; also on lands, buildings, franchises and income; also on rolling stock now owned or hereafter acquired for use in connection with this line.

Equity: These bonds are prior in lien to the Nashville, Chattanooga & St. Louis Consolidated 5s of 1928, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company, New York.

For history of the Nashville, Chattanooga & St. Louis Railway Company, see page 404.

The above bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

Fayette & McMinnville Branches First Mortgage 6s

Dated January 1, 1877

Maturing January 1, 1917

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Authorized \$750,000

Outstanding \$750,000

Per mile . . . 5,950

Security: The above bonds are secured by a first mortgage on 126.21 miles of road, including the 60.63 miles of line extending from Tullahoma to Sparta, Tenn.; also on equipment, lands, buildings, rolling stock, franchises and incomes pertaining to said lines.

Equity: These bonds are prior in lien to the First Consolidated 5s of 1928 and their retirement is provided for by the terms of that mortgage.

For history of the Nashville, Chattanooga & St. Louis Railway Company, see page 404.

These bonds sold in 1909 on a 4.70 basis (bid)

1910 4.55

1911 4.60 (bid)

1912 4.25

The above bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

Lebanon Branch First Mortgage 6s

Dated October 1, 1877

Maturing January 1, 1917

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$300,000

Outstanding \$300,000

Per mile . . . 10,350

Security: The above bonds are secured by a first mortgage on 29.21 miles of line extending from Nashville to Lebanon, Tenn., and on lands, buildings, rolling stock and franchises in connection with this road.

Equity: This issue is prior in lien to the Consolidated 5s of 1928, a sufficient number of which have been reserved to provide for the retirement of these bonds.

For history of the Nashville, Chattanooga & St. Louis Railway Company, see page 404.

These bonds were quoted in 1909 on a 4.50 basis (bid)

1910	4.55
1911	4.65
December, 1912	4.85

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

Jasper Branch Extension First Mortgage 6s

Dated January 1, 1883

Maturing January 1, 1923

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$16,000 per mile

Outstanding \$371,000

Per mile . . . 20,000

Provisions of issue: This mortgage is closed by the terms of the mortgage of Nashville, Chattanooga & St. Louis First Consolidated 5s.

Security: These bonds are secured by a first mortgage on 18.50 miles of railroad extending from Victoria to Dunlap, Tenn., and on lands, buildings, and incomes.

Equity: This issue is prior in lien to the First Consolidated 5s of 1928, a sufficient number of which are reserved to provide for the retirement of these bonds.

Trustee: Central Trust Company, New York.

For history of the Nashville, Chattanooga & St. Louis Railway, see page 404.

These bonds sold in 1905 on a 4.10 to 4.45 basis

1906	4.35
1907	4.55
1909	4.55 (bid)
1910	4.38
1911	4.55 (bid)
December, 1912	4.70 (bid)

The above bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

Centreville Branch First Mortgage 6s

Dated January 1, 1883

Maturing January 1, 1923

Interest payable January 1 and July 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$8,000 per mile of narrow gauge
\$15,000 per mile of broad gauge

Outstanding \$376,000
Per mile . . . 8,175

Provisions of issue: This mortgage is closed by the terms of the mortgage of the First Consolidated 5s of 1928.

Security: The above bonds are secured by a first mortgage on 46.46 miles of road extending from Dickson to Etna, Tenn., and on equipment and future acquisitions.

Equity: These bonds are prior in lien to the First Consolidated 5s of 1928 which provide for the retirement thereof.

Trustee: Central Trust Company, New York.

For history of the Nashville, Chattanooga & St. Louis Railway Company, see page 404.

These bonds were quoted in 1909 on a 4.70 basis (bid)

1910	5.00
1911	4.875
December, 1912	4.80

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NASHVILLE, CHATTANOOGA & ST. LOUIS RAILWAY

First Consolidated Mortgage 5s

Dated April 2, 1888

Maturing April 1, 1928

Interest payable April 1 and October 1 at the Hanover National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000,000

Outstanding \$7,608,000
Per mile . . . 9,070

Provisions of issue: \$8,297,000 of the \$20,000,000 authorized are reserved to retire prior liens; \$4,095,000 are issuable at not over \$20,000 per mile for any additional railroad acquired by purchase, construction, consolidation or otherwise; and \$7,608,000 are in the hands of the public as above.

The rate of interest has been reduced from 5% to 4% on all issues after July 1, 1905.

Security: These bonds are secured by direct mortgage on 839.03 miles of road and on buildings, equipment and future acquisitions. They are secured by a first mortgage on 257.70 miles; by a

second mortgage on 581.33 miles covered by the first mortgages of the First 7s of 1913; Centreville Branch 6s of 1923; Fayette & McMinville Branches 6s of 1917; Jasper Extension 6s of 1923; Lebanon Branch 6s of 1917 and the Tracy City Branch 6s due serially until 1917 (for description of mileage covered by these first mortgage issues, see above).

"The lien hereof shall attach to all additional mileage which shall be unincumbered and on which these bonds may be issued at the rate of \$20,000 per mile, and to the equipment and property appurtenant thereto, until the entire authorized amount (including the amount held to provide for prior liens) shall be issued, then no further railroad or property shall be covered hereby."

Trustee: United States Trust Company, New York.

For history of the Nashville, Chattanooga & St. Louis Railway Company, see page 404.

These bonds sold in 1903 on a 4.00 to 4.25 basis

1903	4.05	4.45
1904	3.95	4.30
1905	3.875	4.05
1906	3.95	4.20
1907	3.875	4.90
1908	4.10	4.60
1909	4.00	4.20
1910	4.15	4.30
1911	4.10	4.25
1912	4.15	4.35

The above bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

CHICAGO, INDIANAPOLIS & LOUISVILLE RAILWAY

Refunding Mortgage 6s, 5s and 4s

Dated July 1, 1897

Maturing July 1, 1947

Interest payable January 1 and July 1 at the office of J. P. Morgan & Co., New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$15,000,000

Outstanding (6s)	\$4,700,000
(5s)	5,000,000
(4s)	5,300,000
Per mile . . .	29,500

Security: The above bonds are secured by a first mortgage on 508.79 miles of road, including the line from New Albany to Michigan City, 288.86 miles and from Hammond to Indianapolis, 161.94 miles; also on equipment and future acquisitions.

Trustees: The Central Trust Company, New York, and James Murdock, Esq.

The Chicago, Indianapolis & Louisville Railway Company was chartered March 31, 1897, under the laws of Indiana, as a reorganization of the Louisville, New Albany & Chicago Railway

Company. The latter company was the result of a consolidation on May 5, 1881, of a company of the same name with the Chicago & Indianapolis Air Line Railway Company.

The Chicago, Indianapolis & Louisville Railway Company is operated by its own organization, but is controlled by the Southern Railway and the Louisville & Nashville Railway Companies, which own jointly about 93% of its common stock and 77% of its preferred stock.

The 6s of 1947 sold in 1902 on a 4.35 to 4.62 basis

1903	4.45	4.70
1904	4.35	4.60
1905	4.15	4.25
1906	4.12	4.50
1907	4.55	4.90
1908	4.35	5.00
1909	4.40	4.50
1910	4.37	4.65
1911	4.40	4.50
1912	4.35	4.60

The 5s of 1947 sold in 1902 on a 4.15 to 4.35 basis

1903	4.35	4.55
1904	4.15	4.40
1905	4.20	4.375
1906	4.25	4.30
1907	4.40	4.60
1908	4.55	4.65
1909	4.20	4.35
1910	4.60	(bid)
1911	4.40	4.60
1912	4.40	4.45

The 4s of 1947 sold in 1910 on a 4.27 basis

1911	4.27
December, 1912	4.35 (asked)

CHICAGO, INDIANAPOLIS & LOUISVILLE RAILROAD

Equipment Gold Bonds Series "A" 4½s

Dated March 15, 1911

Maturing \$21,000 on September 15 and March 15 to September 15, 1918, inclusive, and \$22,000 March 15 and September 15 to March 15, 1921, inclusive.

Interest payable March 15 and September 15 at the Equitable Trust Company, New York.

Coupon bonds of \$1,000.

Authorized \$425,000

Outstanding \$362,000

\$63,000 were redeemed to December 31, 1912.

Security:

These bonds are a direct obligation of the company and are secured upon 3 passenger locomotives, 7 consolidation freight locomotives, 100 automobile cars, 200 flat cars, 2 combination passenger and baggage cars, 3 first-class passenger cars, 2 parlor cars and 1 dining car for which

the company issued the above bonds and paid \$75,000 in cash. The title to this equipment remains with the trustee until all the bonds are paid.

Trustee: Equitable Trust Company, New York.

Series "B" 4½s

Dated October 16, 1911 Maturing \$37,000 April 15 and \$38,000 October 15 from April 15, 1912, to October 15, 1921.

Interest payable April 15 and October 15 at Bankers' Trust Company, New York.

Coupon certificates of \$1,000.

Authorized \$750,000

Outstanding \$675,000

Security: These are a direct obligation of the company and are secured upon 9 Mikado freight locomotives and 1,000 drop bottom steel gondola cars, for which the company issued these certificates and paid \$1,315,300 in cash. The title to the equipment remains with the trustee until all the certificates are paid.

Trustee: Bankers' Trust Company, New York.

INDIANAPOLIS & LOUISVILLE RAILWAY

First Mortgage 4s

Dated January 1, 1906 Maturing January 1, 1956

Interest payable January 1 and July 1 at the Standard Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$6,000,000

Outstanding \$1,650,000

Per mile . . . 27,500

Provisions of issue: \$4,350,000 of the above amount authorized are issuable as mileage is added for extensions, improvements, betterments, terminals, etc., at not exceeding \$30,000 per mile.

Security: The above bonds are secured by a first mortgage on 59.70 miles of road in Indiana, including the 54.70 miles from Shirley Hill to Wallace Junction, on the main line of the Chicago, Indianapolis & Louisville Railway.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Indianapolis & Louisville Railway Company.

Trustees: Standard Trust Company, New York, and Edward M. F. Miller, Esq.

The Indianapolis & Louisville Railway Company was chartered under the laws of the State of Indiana on March 20, 1899, the main line being opened for traffic on October 1, 1907. On January 1, 1906, the road was leased for 99 years to the Chicago, Indianapolis & Louisville Railway Company,

which agreed to pay the fixed charges and to redeem the bonds at maturity. The entire capital stock of the road is owned by the Chicago, Indianapolis & Louisville Railway Company.

The above bonds were quoted in 1909 on a	4.40	basis (bid)
The above bonds were sold in	1910	4.10 to 4.30 basis
	1911	4.85 (asked)
	1912	4.50 to 4.75

These bonds are considered a legal investment for savings banks in Maine.

MAINE CENTRAL RAILROAD COMPANY

MAINE CENTRAL RAILROAD COMPANY

HISTORY

The Maine Central Railroad Company was organized under the laws of Maine, October 28, 1862, as the result of the consolidation of the Androscoggin & Kennebec Railroad Company and the Penobscot & Kennebec Railroad Company. On November 16, 1874, the Portland & Kennebec Railroad Company, the Somerset & Kennebec Railroad Company, and the Leeds & Farmington Railroad Company were absorbed. The Maine Shore Line Railroad Company (Mt. Desert Branch) was consolidated with the Maine Central Railroad, October 22, 1888, and the Knox & Lincoln Railway was absorbed, February 20, 1901. May 1, 1907, the Maine Central Railroad Company leased the property of the Portland & Rumford Falls Railroad Company for 999 years at an annual rental of \$328,000.

It was not until the summer of 1911 that the Maine Central reached its present size, when it took over the Somerset Railway, the Washington County Railway, the Sebacicook & Moosehead Railroad and the Androscoggin Railroad Companies. In August, 1911, the Maine Central Railroad Company also purchased the entire capital stock (\$241,600) of the Sandy River & Rangeley Lakes Railroad, a narrow gauge railroad covering some 90 miles from a northern terminus of the Maine Central to Bigelow, Maine, and running through a territory rich in forests and agricultural and industrial possibilities. On January 1, 1912, the company leased the property of the St. Johnsbury & Lake Champlain Railroad operating between Lunenburg and St. Johnsbury, Vermont, 27 miles, at an annual rental of \$25,000. During the fiscal year of 1912 nearly all the capital stock of the Bridgton & Saco River Railroad was acquired.

PROPERTY

On June 30, 1912, the Maine Central Railroad System, as a result of the above newly made acquisitions, operated 1,204.08 miles of main track, of which 640.78 miles were owned in fee and 563.30 miles were leased. The company's lines extend from Portland, Maine, to Lime Ridge, Quebec, and from Portland to Bangor, and Vanceboro, Maine. A line also runs from Brewer Junction to Mt. Desert, Eastport, Calais and Princeton, Maine. Other important branches (including the new acquisitions) connect Farmington with Rangeley, Calais with Washington Junction, Oakland with Kinco, Pittsfield with Mainstream, and Quebec Junction with St. Johnsbury, Vermont.

CAPITALIZATION

At the close of the company's fiscal year, June 30, 1912, the capital account of the Maine Central Railroad stood as follows:

Capital stock	\$9,979,700
Bonded debt	8,661,500
Notes	12,000,000
Nominal capitalization	\$30,641,200
Rentals capitalized @ 5%	18,921,440
Gross capitalization	\$49,562,640
Securities owned	3,400,250
Net capitalization	\$46,162,390
Net capital per mile operated	\$38,726
Average miles operated	1,192.10
Net income to net capital	6.7%
Fixed charges to net income.	83.4%
Margin of safety.	16.6%

From the above figures, it will be seen that the nominal capitalization of the Maine Central Railroad proper amounted to \$30,641,200. This is at the rate of \$47,802 per mile for the 640.78 miles of road owned in fee at the time the figures were compiled. There were, also, over 560 miles of leased road, and the reports show the capitalization of these leased lines to be \$20,376,700, a figure slightly in excess of that of rentals capitalized at 5% above.

The net capitalization shown in the above table is rather low for an eastern road. Its \$38,726 per mile compares very favorably with \$79,119 for the Boston & Maine Railroad, and \$43,834 for the Bangor & Aroostook Railroad. The Maine Central earned net upon its net capitalization 6.7% as compared with 6.6% earned by the Boston & Maine and 4.9% by the Bangor & Aroostook.

On April 1, 1912, obligations of the company amounting to \$15,484,000 matured. This was equal to over 75% of the total funded indebtedness of the road then outstanding. To meet, in part, these obligations, it was deemed advisable to issue \$12,000,000 One Year 4% Coupon Notes, rather than issue a part of the company's \$25,000,000 Fifty Year 4% Refunding Mortgage Bonds authorized in July, 1911. These notes will mature March 15, 1913. In April, 1914, \$2,000,000 Five Year 4% Coupon Notes will mature. With these items refunded, there will be no large amount of securities maturing until 1920.

To provide funds to assist in the reduction of the company's indebtedness, its directors voted to increase the authorized capital stock from \$10,000,000 to \$15,000,000. The new stock was offered to stockholders of record June 15, 1912, on the basis of one share of new stock for each two shares of stock held at that time.

CHARACTER OF TRAFFIC

The Maine Central System serves the central and northern parts of Maine. This rapidly developing territory possesses great agricultural and manufacturing possibilities. Fully 60% of the total traffic of the road is freight, and is diversified in character, as can be seen by the statistics given for the years 1908 to 1912 inclusive:

Products of	1912 Tons	1911 Tons	1910 Tons	1909 Tons	1908 Tons
Agriculture	1,321,892	1,163,531	1,016,143	1,064,911	905,463
Animals	122,876	102,576	98,519	99,548	95,984
Mines	963,011	1,039,243	1,019,224	868,596	1,038,978
Forests	2,234,379	2,035,559	2,107,572	1,850,745	1,935,830
Manufactures	1,336,989	1,311,177	1,356,257	1,210,214	1,291,150
Miscellaneous	814,372	657,407	657,685	569,862	607,395
Total tons	6,793,519	6,309,493	6,255,400	5,663,876	5,874,800

The passenger business of the Maine Central represents about 32% of the gross business of the system. In every year but one since 1906, the passenger revenue and the number of passengers carried have steadily increased. In 1907, 3,717,849 passengers paid a total revenue of \$2,708,004, while in the fiscal year of 1912, 4,640,398 passengers paid \$3,333,504. Below is a comparative statement of the salient passenger statistics of the system for the years 1907 to 1912 inclusive:

Year	Total passenger revenue	Total passengers carried	Average revenue per passenger	Average rate per mile
1907	\$2,708,004	3,717,849	\$.728	\$.0204
1908	2,860,992	3,890,364	.735	.0207
1909	2,774,481	3,878,688	.715	.0203
1910	2,922,757	4,085,870	.715	.0205
1911	2,960,662	4,115,603	.719	.0204
1912	3,333,504	4,640,398	.718	.0206

EARNINGS

The gross earnings of the road have shown a steady increase, from \$5,613,000 in 1900, to over \$10,600,000 in 1912, a gain of nearly 90%. The net earnings also show a proportionate gain, especially since 1906, with no corresponding increase in miles of road operated until 1912. In general, the earnings of the road appeared to be stable in spite of the business depression which affected most of the American systems during the years 1908 and 1909. Below are tabulated the gross and net earnings of the railroad for the year 1900 and for the years 1907 to 1912 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1900	816	\$5,612,924	\$6,878	\$1,858,952	\$2,278
1907	845	8,348,139	9,879	2,683,966	3,176
1908	931	8,514,256	9,145	2,594,656	2,787
1909	932	8,337,723	8,946	2,558,445	2,746
1910	932	8,922,312	9,573	2,820,025	3,027
1911	932	9,067,803	9,729	2,499,254	2,683
1912	1,192	10,643,051	8,929	2,952,205	2,477

MAINTENANCE

During the six years ending June 30, 1912, nearly \$15,900,000 was spent for maintenance. This is an average of \$2,650,000 annually, or \$2.752 a mile. This system, though not as much as others, felt the general business depression which prevailed during the years 1908 and 1909, but every

effort was made to maintain its high standards of efficiency through those somewhat lean years. With the return of better conditions in 1910 and 1911, the company spent more than ever before, as is shown by the following table:

Year	Maintenance of way	Maintenance of equipment	Total maintenance	Per mile
1907	\$1,076,193	\$1,244,631	\$2,320,824	\$2,747
1908	1,239,497	1,250,245	2,489,742	2,674
1909	1,231,550	1,180,584	2,412,134	2,587
1910	1,305,384	1,282,914	2,588,298	2,776
1911	1,416,937	1,335,278	2,752,215	2,952
1912	1,880,247	1,434,052	3,314,299	2,780

ADDITIONS AND BETTERMENTS

Since 1907 over \$7,000,000 has been expended for the purchase of new equipment and for other additions and betterments to property. Below is a statement of the amount thus spent annually since 1907 and the proportion which was charged to income:

Year	Equipment	Other additions and betterments	Total	Amount charged to income
1907	\$468,895	\$255,441	\$724,306	\$724,306
1908	357,202	594,985	952,187	194,078
1909 . . . . .	.....	345,439	345,439	113,733
1910	143,964	1,303,102	1,447,066	353,956
1911	2,168,664	857,720	3,026,384	185,470
1912	49,930	582,272	632,202	114,830
			<hr/> \$7,127,584	<hr/> \$1,686,373

DIVIDENDS

From 1884 to July, 1903, inclusive, 6% dividends upon outstanding stock were paid annually. From October, 1903, to July, 1907 inclusive, 7% was paid, and from October, 1907, to July, 1911 inclusive, 8%. In July, 1911, the directors reduced the dividend rate from 8% to 6% per annum, this rate to be paid upon both the old stock and the new stock beginning with the fiscal year of 1912.

The Maine Central Railroad Company has been controlled for some time by the Boston & Maine Railroad Company through ownership of a majority of its capital stock. Both have had the same president for many years.

STATISTICS

Following are given capitalization, earnings and traffic statistics of the Maine Central Railroad, based on the average miles operated, for the year 1900 and the years 1905 to 1912 inclusive:

MAINE CENTRAL RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$6,112	\$13,349	\$15,847	\$35,308	\$598	\$34,710	816	41
1905	6,112	13,253	13,382	32,747	1,004	31,743	816	45
1906	6,112	14,573	13,509	34,194	1,357	32,837	816	45
1907	5,903	14,073	14,339	34,315	1,652	32,663	845	50
1908	5,358	12,773	18,887	37,018	1,528	35,490	931	52
1909	5,360	14,905	18,886	39,151	1,516	37,635	932	52
1910	5,360	20,270	21,825	47,455	1,516	45,939	932	60
1911	5,360	21,880	22,312	49,552	2,915	46,637	932	61
1912	8,372	17,333	15,874	41,579	2,853	38,726	1,192	71

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fired charges	Surplus available for dividends
		Way	Equipment						
1900	\$6,878	\$963	\$1,989	\$1,648	\$2,278	\$105	\$2,383	\$1,690	\$693
1905	8,700	1,509	1,003	3,463	2,752	290	3,045	1,937	1,076
1906	9,552	1,940	1,794	3,658	2,160	120	2,280	1,783	497
1907	9,879	1,274	1,473	3,956	3,176	115	3,291	1,831	1,460
1908	9,145	1,331	1,743	3,684	2,787	67	2,854	2,208	646
1909	8,946	1,321	1,266	3,613	2,746	94	2,840	2,181	659
1910	9,573	1,400	1,376	3,770	3,027	182	3,209	2,498	711
1911	9,729	1,520	1,432	4,094	2,683	476	3,159	2,695	464
1912	8,929	1,577	1,203	3,672	2,477	135	2,612	2,169	443

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conduct- ing trans- portation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock	Freight to all traffic
1900	\$366	\$224	\$103	66.88%	46.3%	20.6%	24.8%	16.4%	6.9%	11.3%	59%
1905	427	606	43	67.24	27.4	39.8	22.2	26.6	9.5	17.4	60
1906	427	...	70	77.40	39.4	38.0	23.8	27.9	6.9	8.0	60
1907	412	857	191	67.58	27.8	40.0	33.3	28.8	10.1	25.2	60
1908	428	208	10	69.33	29.3	40.2	31.2	24.7	8.3	12.0	60
1909	427	122	110	69.31	29.0	40.3	31.7	22.8	7.5	12.3	60
1910	427	233	51	68.39	29.1	39.3	33.5	20.1	6.9	13.1	61
1911	427	29	7	72.44	30.4	42.0	27.7	19.6	6.7	8.6	61
1912	371	52	20	72.26	31.2	41.1	24.4	21.4	6.7	5.3	62

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rates per mile		Freight density	Train load revenue tons	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton			
1900	\$1.66	\$.233	\$.482	\$.400	\$.545	\$.0223	\$.0113	355,235	187	4,217
1905	2.06	.348	.231	.800	.681	.0202	.0107	486,194	277	5,934
1906	2.11	.428	.396	.802	.484	.0200	.0103	549,611	283	6,569
1907	2.10	.270	.312	.340	.678	.0204	.0102	580,308	279	8,000
1908	2.02	.293	.296	.812	.619	.0207	.0106	514,956	252	8,042
1909	2.00	.295	.283	.807	.615	.0203	.0099	539,646	268	7,922
1910	2.10	.307	.301	.826	.666	.0205	.0098	596,663	290	7,843
1911	2.09	.329	.308	.880	.573	.0204	.0103	573,652	276	9,253
1912	2.07	.366	.279	.852	.573	.0206	.0109	513,854	251	10,045

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Maine Central
Railroad System, together with the bases on which they
have sold during the decade ending June 30, 1912:

MAINE SHORE LINE RAILROAD

First Mortgage Currency 6s

Dated June 1, 1883

Maturing June 1, 1923

Interest payable June 1 and December 1 at National Park Bank, New York, Second National Bank, Boston, First National Bank, Portland, or at office of the Company, Portland.

Coupon bonds of \$1,000.

Authorized \$750,000

Outstanding \$81,000
Per mile . . . 1,970

Provisions of issue: \$669,000 of the above bonds have been deposited with the trustee of the Collateral Trust 5s of 1923.

Security: The above bonds are secured by a first mortgage on the Maine Shore Line Railroad Company's line from Brewer Junction to Mt. Desert Ferry, Me., 41.13 miles, and future acquisitions.

These bonds were ASSUMED by the Maine Central Railroad Company.

Equity: These bonds are prior in lien to the new Maine Central Consolidated Refunding Mortgage Bonds of 1961, a sufficient number of which are reserved to retire this issue.

The Maine Shore Line Railroad was chartered March 4, 1881. The line above mentioned was completed and opened for traffic June 23, 1884. In 1888 the company was consolidated into, and all property was deeded over to, the Maine Central Railroad Company, under the terms of a perpetual lease.

These bonds are considered a legal investment for savings banks in New England, except Rhode Island.

PENOBSCOT SHORE LINE RAILROAD

First Mortgage Currency 4s

Dated August 1, 1890

Maturing August 1, 1920

Interest payable February 1 and August 1 at National Park Bank, New York, Second National Bank, Boston, First National Bank, Portland, or at office of the Company, Portland.

Coupon bonds of \$1,000, fully registerable in lots of \$1,000, \$5,000 and \$10,000.

Authorized \$1,300,000

Outstanding \$1,300,000
Per mile . . . 27,000

Security: The above bonds are secured by a first mortgage on the Penobscot Shore Line Railroad Company's lines, totalling 48.57 miles as follows: from Woolwich to Rockland, Me., 47.13 miles, and a branch in Rockland, 1.44 miles. The bonds are further secured by a first mortgage on all the equipment of the line and also on the property of the ferry line between Woolwich and Bath.

These bonds were ASSUMED by the Maine Central Railroad Company in 1901.

Equity: These bonds are prior in lien to the \$400,000 Knox & Lincoln 5s of 1921 and to the new Maine Central Consolidated Refunding Mortgage Bonds of 1961, a sufficient number of which are reserved to retire this issue.

The Penobscot Shore Line Railroad Company, which prior to 1890 was known as the Knox & Lincoln Railroad Company, was chartered under the latter name in 1868 under the laws of the State of Maine. The road was commercially opened in November, 1871. On August 1, 1890, the road began operations under the management of the Penobscot Shore Line Railroad Company, and in 1891 its name was changed to the Knox & Lincoln Railway Company which in 1901 was merged into the Maine Central Railroad Company's System.

These bonds were quoted in 1910 on a 4.75 basis (bid)
1911 4.85
July, 1912 4.90

These bonds are considered a legal investment for savings banks in New England.

WASHINGTON COUNTY RAILWAY

First Mortgage Gold 3½s

Dated January 1, 1904

Maturing January 1, 1954

Interest payable January 1 and July 1 at National Park Bank, New York, Second National Bank, Boston, First National Bank, Portland.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000 per mile

Outstanding	\$2,500,000
Per mile . . .	18,110

Security: The above bonds are secured by a first mortgage on the Washington County Railway Company's lines, totalling 138.03 miles, as follows: from Calais to Washington Junction, Me., 102.49 miles; from Ayer Junction to Eastport, Me., 16.48 miles; from St. Croix Junction to Princeton, Me., 17.85 miles; and from Woodland Junction to Woodland, Me., 1.21 miles. The bonds are further secured by a first mortgage on all the equipment of the line and future acquisitions.

These bonds were ASSUMED by the Maine Central Railroad Company at time of consolidation, and also bear the endorsed GUARANTEE of PRINCIPAL and INTEREST by that company.

Redemption: These bonds are redeemable as a whole at par and interest on January 1, 1924, by the company or any guarantor, upon 60 days' notice.

Equity: These bonds are prior in lien to the Maine Central Consolidated Refunding Mortgage Bonds of 1961, a sufficient number of which have been reserved to retire this issue.

Trustee: Central Trust Company, New York.

The Washington County Railroad was chartered March 7, 1893, under the laws of the State of Maine. Its road was commercially opened throughout on January 1, 1899. In December, 1903, the Washington County Railway Company was chartered as successor to the Washington County Railroad Company, and in 1911 the former was merged into the Maine Central System.

These bonds were quoted in 1909 on a 4.15 basis (bid)

1910	4.55
1911	4.55
December, 1912	4.60

These bonds are considered a legal investment for savings banks in New England.

MAINE CENTRAL RAILROAD

Collateral Trust Sinking Fund Currency 5s

Dated June 1, 1883

Maturing June 1, 1923

Interest payable June 1 and December 1 at the American Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$700,000

Outstanding \$669,000
Per mile . . 16,300

Security: The above bonds are secured by a first lien through deposit with the trustee of an equal amount of Maine Shore Line Railroad Company First Mortgage Currency 6s of 1923, which cover that company's line from Brewer Junction to Mt. Desert Ferry, Me., 41.13 miles. The bonds thus deposited with the trustee are followed by and provided for in the new Maine Central Consolidated Refunding Mortgage.

Sinking fund: The 1% excess interest received on the above-mentioned deposited bonds, less trustee's fees, is used as a sinking fund for the purchase of these bonds at not exceeding 105 and interest, or, if not so purchasable, the fund may be invested in other securities with the assent of the company. July 1, 1912, the fund amounted to \$926,396.75, invested in bonds of the Boston & Maine System.

Trustee: American Trust Company, Boston.

These bonds sold in 1903 on a 3.20 to 4.30 basis

1904	3.85
1909	4.35 (bid)
1910	4.40 (bid)
1911	4.40 (bid)
December, 1912	4.62 (bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Connecticut.

UPPER COOS RAILROAD

First Mortgage Currency 4s

Dated May 1, 1890

Maturing May 1, 1930

Interest payable May 1 and November 1 at New York, Boston and Portland.

Coupon bonds of \$500 and \$1,000.

Authorized \$350,000

Outstanding \$350,000

Per mile . . . 15,340

Security: The above bonds are secured by a first mortgage on the Upper Coos Railroad Company's lines from North Stratford, N. H., to the Canadian Boundary Line at Beecher Falls, 22.83 miles. The bonds are further secured by a first mortgage on the leasehold of the Upper Coos Railroad of Vermont, of which the mortgagor holds the stock.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST under terms of the lease by the endorsement of the Maine Central Railroad Company.

The Upper Coos Railroad Company was chartered in October, 1884. The road was commercially opened throughout in May, 1891. It was leased to the Maine Central Railroad Company for 999 years from May 1, 1890, at a yearly rental equivalent to taxes, the interest on all outstanding bonds, 6% on the capital stock, and \$500 for organization expenses. The railroad is at present a division of the Maine Central Railroad Company's system.

These bonds were quoted in 1909 on a 4.07 basis (bid)

1910 4.30

1911 4.30

December, 1912 4.55

These bonds are considered a legal investment for savings banks in New England, except Vermont.

UPPER COOS RAILROAD

Extension Mortgage Currency 4½s

Dated May 1, 1890

Maturing May 1, 1930

Interest payable May 1 and November 1 at New York, Boston and Portland.

Coupon bonds of \$1,000.

Authorized \$21,000 per mile

Outstanding \$693,000

Per mile . . . 21,320

Security: The above bonds are secured by a first mortgage on the Upper Coos Railroad Company's line from Stratford to Quebec Junction, N. H., 32.5 miles, also all leasehold interest in the Coos Valley Railroad Company.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST under terms of the lease of the Upper Coos Railroad Company to the Maine Central Railroad Company by the endorsement of the latter.

The entire capital stock of the Coos Valley Railroad Company of Vermont is owned by the Upper Coos Railroad Company of New Hampshire, to whom the line is leased for 999 years, from May 1, 1890, at a rental of \$1 payable at the expiration of the lease. The latter, in turn, was leased to the Maine Central Railroad Company for 999 years from May 1, 1890.

These bonds quoted in 1909 on a 4.07 basis (bid)	
1910	4.50
1911	4.50
December, 1912	4.55

These bonds are considered a legal investment for savings banks in New England, except Vermont.

EUROPEAN & NORTH AMERICAN RAILWAY

Refunding Mortgage Gold 4s

Dated January 2, 1893

Maturing January 1, 1933

Interest payable January 1 and July 1 at National Park Bank, New York, Second National Bank, Boston, First National Bank, Portland, or at Treasurer's office.

Coupon bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000
Per mile . . . 18,200

Security: The above bonds are secured by a first mortgage on the line from Bangor, Me., to Winn, 55 miles. This issue is a JOINT and SEVERAL obligation of the Maine Central Railroad Company and the European & North American Railway Company.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The European & North American Railway Company was chartered in 1850 under the laws of the State of Maine. It was leased for 999 years from April 1, 1882, to the Maine Central Railroad Company at an annual rental of \$125,000, and \$500 for organization expenses. The lessee also agreed to pay all the debts and bonds of the lessor and interest upon the same.

These bonds quoted in 1909 on a 4.07 basis (bid)	
1910	4.27
1911	4.27
December, 1912	4.50

These bonds are considered a legal investment for savings banks of New England, except Vermont.

PORTLAND & RUMFORD FALLS RAILWAY

Consolidated First Mortgage Gold 4s

Dated November 2, 1896

Maturing November 2, 1926

Interest payable May 1 and November 1 at Old Colony Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$933,000

Per mile . . . 14,770

The sinking fund has retired \$67,000 of this issue.

Security: These bonds are secured by a first mortgage on the Portland & Rumford Falls Railway Company's lines, totalling 63.16 miles as follows: from Rumford Junction to Rumford Falls, Me., 53.58 miles; and from Canton to Chisholm's Mills, Me., 9.58 miles. They are further secured by a first mortgage on all the equipment of the above lines and future acquisitions.

These bonds are GUARANTEED as to INTEREST by the Portland & Rumford Falls Railroad under terms of lease.

Sinking fund: Two-thirds of 1% per annum of the par value of all the bonds issued is to be set aside and applied to the purchase of this issue at not exceeding par and interest, or if not so purchasable to be invested in securities authorized by the laws of Maine as investments for savings banks.

Trustee: Old Colony Trust Company, Boston.

The Portland & Rumford Falls Railway was organized under the laws of Maine, November 8, 1890. The road was commercially opened for traffic on February 12, 1894. It was leased for 1,000 years from April 1, 1907, to the Portland & Rumford Falls Railroad Company, which was organized March 28, 1907, under the laws of Maine. Under the terms of this lease the Portland & Rumford Falls Railroad is to pay interest and sinking fund charges on all outstanding bonds, 8% on capital stock, and \$300 for organization expenses — a total annual charge of \$255,000.

The Portland & Rumford Falls Railroad Company, in turn, leased the properties and franchises of the Portland & Rumford Falls Railway Company and the Rumford Falls & Rangeley Lakes Railroad Company for a term of 999 years from May 1, 1907, to the Maine Central Railroad Company. The terms of the lease provide for an annual rental of \$328,000.

These bonds were quoted in December, 1912, on a 4.37 basis.

These bonds are considered a legal investment for savings banks in Maine, Massachusetts, Connecticut and Rhode Island.

DEXTER & PISCATAQUIS RAILROAD

First Mortgage Currency 4s

Dated July 1, 1889

Maturing July 1, 1929

Interest payable January 1 and July 1 at the Boston Safe Deposit & Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$175,000

Outstanding \$175,000

Per mile . . 10,580

Security: The above bonds are secured by a first mortgage on the Dexter & Piscataquis Railroad Company's line from Dexter to Foxcroft, Me., 16.54 miles. They are further secured by a first mortgage on all equipment of the line and future acquisitions.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Maine Central Railroad Company.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Dexter & Piscataquis Railroad Company was chartered in 1888 under the laws of the State of Maine, and in December of that year was leased for 999 years to the Maine Central Railroad Company at an annual rental of 5% on the stock, interest on outstanding bonds, and \$250 for organization expenses.

These bonds are considered a legal investment for savings banks in New England, except Vermont.

DEXTER & NEWPORT RAILROAD

First Mortgage Currency 4s

Dated September 1, 1897

Maturing September 1, 1917

Interest payable March 1 and September 1 at National Park Bank, New York, Second National Bank, Boston, First National Bank or Treasurer's office, Portland.

Coupon bonds of \$1,000.

Authorized \$175,000

Outstanding \$175,000

Per mile . . 12,300

Security: The above bonds are secured by a first mortgage on the Dexter & Newport Railroad Company's line from Newport to Dexter, Me., 14.23 miles. They are further secured by a first mortgage on future acquisitions.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Maine Central Railroad Company.

Trustee: Portland Trust Company, Portland.

The Dexter & Newport Railroad Company was chartered in 1853 under the laws of the State of Maine. It was leased for 999 years from November 25, 1888, to the Maine Central Railroad Company at an annual rental of 5% on the stock and \$250 for organization expenses. The lessee also agreed to pay and discharge all outstanding funded debt.

These bonds are considered a legal investment for savings banks in New England, except Vermont.

BELFAST & MOOSEHEAD LAKE RAILROAD

First Mortgage Sinking Fund Currency 4s

Dated May 15, 1888

Maturing May 15, 1920

Interest payable May 15 and November 15 at Belfast Savings Bank, Belfast, Me.

Coupon bonds of \$500 and \$1,000.

Authorized \$150,000

Outstanding \$61,000
Per mile . . . 1,840

Security: The above bonds are secured by a first mortgage on the Belfast & Moosehead Lake Railroad Company's line from Belfast to Burnham, Me., 33.13 miles.

Redemption: The above bonds are redeemable on any May 15 for the sinking fund at par and interest.

Sinking fund: Since 1893 the sum of \$9,000 has been set aside annually for the payment of interest and the balance remaining is applied to redeem any of the outstanding bonds at not exceeding par and interest. In this way \$3,000 bonds are drawn yearly so that the entire issue will have been retired at the expiration of the company's lease.

The Belfast & Moosehead Lake Railroad Company was chartered in 1867 under the laws of the State of Maine. From April 27, 1871, it was leased for 50 years to the Maine Central Railroad Company at an annual rental of \$36,000.

These bonds are considered a legal investment for savings banks in Maine, Massachusetts and Connecticut.

PORTLAND & OGDENSBURG RAILWAY

First Mortgage Gold 4½s

Dated November 2, 1908

Maturing November 1, 1928

Interest payable May 1 and November 1 at New York, Boston and Portland.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$3,000,000

Outstanding \$2,119,000

Per mile . . . 19,180

Security: The above bonds are secured by a first mortgage on the Portland & Ogdensburg Railway Company's line from Portland, Me., to Lunenburg, Vt., 110.44 miles, and future acquisitions.

These bonds are ASSUMED by the Maine Central Railroad Company under terms of its lease.

Trustee: Boston Safe Deposit & Trust Company, Boston.

The Portland & Ogdensburg Railway Company was chartered in 1886 under the laws of the State of Maine. From August 20, 1888, it was leased for 999 years to the Maine Central Railroad Company at an annual rental of 2% on the capital stock, the lessee also agreeing to assume and pay the lessor's outstanding debts and mortgages.

These bonds were quoted in 1910 on a 4.25 basis (bid)

1911 . . . 4.35

December, 1912 . . . 4.40

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

SOMERSET RAILWAY

First Mortgage Currency 5s

Dated July 1, 1887

Maturing July 1, 1917

Interest payable January 1 and July 1 at the National Shawmut Bank, Boston.

Coupon bonds of \$500 and \$1,000.

Authorized \$225,000

Outstanding \$225,000

Per mile . . . 5,350

Security: The above bonds are secured by a first mortgage on 42.08 miles of the Somerset Railway Company from Oakland to Bingham, Me. They are also secured by a first mortgage on the equipment of the line and future acquisitions.

These bonds were ASSUMED by the Maine Central Railroad Company.

Equity: The above bonds are prior in lien to \$172,500 Somerset Railway Consolidated 4s of 1950 and also to \$864,000 Somerset Railway First & Refunding 4s of 1955. They are prior to the Maine Central Consolidated Refunding 4s of 1961, which provide for the retirement of this issue.

The Somerset Railway Company was chartered under the laws of Maine in March, 1903, as the successor to the Somerset Railroad Company. In 1911 it was merged into the Maine Central Railroad Company, which assumed the above bonds.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont and Massachusetts.

SOMERSET RAILWAY

Consolidated Mortgage Gold 4s

Dated July 2, 1900 Maturing July 2, 1950
Interest payable January 2 and July 2 at the National Shawmut Bank, Boston.

Coupon bonds of \$500 and \$1,000.

Authorized \$420,000 Outstanding \$172,500
Per mile . . . 4,097

Security: The above bonds are secured by a second mortgage on the same property covered by the First Currency 5s of 1917.

These bonds were ASSUMED by the Maine Central Railroad Company.

Equity: The above bonds are subject to the lien of \$225,000 Somerset Railway First 5s of 1917, but are prior to \$225,000 Somerset Railway First & Refunding 4s of 1955 and the new Maine Central Consolidated Refunding Mortgage which makes provision for the retirement of this issue.

Trustee: Maine Trust & Banking Company, Gardiner, Me.

These bonds are considered a legal investment for savings banks in Maine.

SOMERSET RAILWAY

First & Refunding Gold 4s

Dated July 1, 1905 Maturing July 1, 1955
Interest payable January 1 and July 1 at American Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$1,500,000 Outstanding \$864,000
Per mile . . . 9,191

Provisions of issue: Of the total amount authorized, \$864,000 are outstanding as above, \$420,000 have been reserved to retire underlying liens, and \$216,000 have been reserved for other corporate purposes.

Security: The above bonds are secured by a direct mortgage on 93.99 miles of road, as follows: (1) A first mortgage on 51.91 miles from Austin Junction to Kineo Station, Me.; (2) A third mortgage on the 42.08 miles covered by the first lien of the First 5s of 1917.

These bonds were ASSUMED by the Maine Central Railroad Company.

Equity: The above bonds are subject in lien to the First 5s of 1917 and the Consolidated 4s of 1950. They are prior in lien to the new Maine Central Consolidated Refunding Mortgage which provides for the retirement of this issue.

Trustee: American Trust Company, Boston.

These bonds were quoted in 1910 on a 4.80 basis (bid)

1911	4.45
December, 1912	4.25 (asked)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont and Massachusetts.

KNOX & LINCOLN RAILWAY

Second Mortgage Currency 5s Series "A"

Dated February 1, 1891

Maturing February 1, 1921

Interest payable February 1 and August 1 at First National Bank, Portland, Second National Bank, Boston, National Park Bank, New York, or Treasurer's office, Portland.

Coupon bonds of \$1,000.

Authorized \$400,000

Outstanding \$400,000
Per mile . . . 8,163

Security: The above bonds are secured by a second mortgage on the railroad and ferry from Bath to Rockland, Me., covered by the first lien of the Penobscot Shore Line 4s, 48.57 miles.

These bonds were ASSUMED by the Maine Central Railroad Company.

Equity: The above bonds are subject to the Penobscot Shore Line 4s of 1920. They are prior in lien to the new Maine Central Consolidated Refunding Mortgage which provides for the retirement of the issue.

Trustee: Boston Safe Deposit & Trust Company, Boston.

For history, see Penobscot Shore Line Railroad First Mortgage Currency 4s of 1920.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

MAINE CENTRAL RAILROAD

Sinking Fund Improvement Gold $4\frac{1}{2}$ s Series "A"

Dated July 1, 1886

Maturing July 1, 1916

Interest payable January 1 and July 1 at the First National Bank, Portland, Second National Bank,
Boston, National Park Bank, New York.

Authorized \$200,000

Outstanding \$200,000

Coupon bonds of \$1,000.

Security: These bonds are not secured by mortgage, but are a direct obligation of the Maine Central Railroad Company.

Sinking fund: In addition to the above, the bonds are secured by a sinking fund of \$3,000 per annum to be applied to the purchase of these bonds at not exceeding 105 and interest and if not so purchasable to be invested in approved securities with the assent of the company. The fund amounted to \$131,468.13 on July 1, 1912.

Trustee: New England Trust Company, Boston.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

MAINE CENTRAL RAILROAD

Sinking Fund Improvement Currency $4\frac{1}{2}$ s Series "B"

Dated July 1, 1887

Maturing July 1, 1917

Interest payable January 1 and July 1 at the First National Bank, Portland, Second National Bank,
Boston, National Park Bank, New York.

Coupon bonds of \$1,000.

Authorized \$250,000

Outstanding \$250,000

Security: These bonds are not secured by a mortgage, but are a direct obligation of the Maine Central Railroad Company.

Sinking fund: In addition to the above, these bonds are secured by a sinking fund of \$3,750 per annum to be applied to the purchase of these bonds at not exceeding 105 and interest, or if not so purchasable, to be invested in approved securities with the assent of the company. On July 1, 1912, the fund amounted to \$156,472.43.

Trustee: Boston Safe Deposit & Trust Company, Boston.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

MAINE CENTRAL RAILROAD

Consolidated Refunding Mortgage Gold Bonds

Interest not to exceed 5%

Dated July 1, 1911

Maturing July 1, 1961

Interest payable January 1 and July 1 at New York, Boston and Portland.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples.

Coupon and registered bonds interchangeable.

Authorized \$25,000,000

Outstanding none

Provisions of issue: The \$25,000,000 bonds authorized are to be issued as follows: (1) \$5,543,000 to refund maturing prior liens; (2) \$2,000,000 to refund Maine Central notes maturing April 1, 1914; (3) \$17,457,000 issuable for any necessary and lawful purpose, any new property acquired becoming subject to the lien hereof.

Security: The above bonds are a direct obligation of the Maine Central Railroad Company and are secured by a direct mortgage upon the entire railroad, equipment, real estate, etc., owned by the company at the date of this mortgage and upon all other property acquired with the proceeds of these bonds, excluding all leasehold interests and all property of the company situated in the cities of Portland, South Portland and Westbrook, Me.

Trustee: Union Safe Deposit & Trust Company, Portland, Me.

This issue of bonds was authorized by the stockholders of the company on July 5, 1911. The bonds provide for all the underlying liens of the railroad and when entirely issued they should embrace the entire present funded debt of the Maine Central Railroad Company.

These bonds are considered legal investments for savings banks in Maine, New Hampshire and Vermont.

HEREFORD RAILWAY

First Currency 4s

Dated May 1, 1890

Maturing May 1, 1930

Interest payable May 1 and November 1 at the First National Bank, Portland, Second National Bank, Boston, National Park Bank, New York, and at the Treasurer's office, Portland.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$800,000

Outstanding \$800,000

Per mile . . . 15,094

Security: The above bonds are secured by a first mortgage on the Hereford Railway Company's lines from Beecher Falls to Line Ridge, Canada, 52.85 miles. They are further secured by a first mortgage on any future acquisitions.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Maine Central Railroad by endorsement.

The Hereford Railway Company was chartered June 23, 1887, under the laws of the Dominion of Canada. The road was commercially opened for traffic May 1, 1890. It was leased to the Maine Central Railroad Company for 999 years from May 1, 1890, at a yearly rental of \$64,500, being the interest on outstanding bonds, 4% on stock outstanding, and \$500 for organization expenses.

These bonds were quoted in 1909 on a 4.45 basis (bid)

1910	4.55
1911	4.55
December, 1912	4.55

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

PORTLAND & RUMFORD FALLS RAILWAY

Debenture Sinking Fund Gold 4s

Dated August 1, 1897

Maturing August 1, 1927

Interest payable February 1 and August 1 at the Portland Trust Company, Portland, Me., and at Boston.

Coupon bonds of \$500 and \$1,000.

Authorized \$350,000

Outstanding \$350,000

Security: The above bonds are not secured by a mortgage, but are direct obligations of the Portland & Rumford Falls Railway Company, being GUARANTEED as to INTEREST by the Portland & Rumford Falls Railroad Company, under the terms of lease.

Sinking fund: On or before July 1 of each year until and including 1927, the company will pay to the trustee \$5,000 as a sinking fund for the payment of the principal of these bonds. This fund shall be invested in securities that are considered a legal investment for savings banks in Maine.

Trustee: Portland Trust Company, Portland.

The Portland & Rumford Falls Railway Company was organized November 8, 1890, under the laws of the State of Maine, and its road was commercially opened for traffic, February 12, 1894. It was leased for a thousand years from April 1, 1907, to the Portland & Rumford Falls Railroad Company, at an annual rental equal to the interest and sinking fund charges on the bonds outstanding, dividends of 8% on outstanding capital stock, and \$300 for organization expenses. The Portland & Rumford Falls Railroad, in turn, leased to the Maine Central Railroad Company for a term of 999 years from May 1, 1907, at an annual rental of \$328,000, the properties and franchises of the Portland & Rumford Falls Railway and the Rumford Falls & Rangeley Lakes Railroad Companies.

These bonds were quoted in 1910 on a 4.40 basis (bid)

1911	4.45
December, 1912	4.45

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

PORTLAND & RUMFORD FALLS RAILWAY

Collateral Trust Gold 4s

Dated February 1, 1904

Maturing February 1, 1934

Interest payable February 1 and August 1 at the Portland Trust Company, Portland.

Coupon bonds of \$500 and \$1,000.

Authorized \$500,000

Outstanding \$500,000

Security: The above bonds are a direct obligation of the Portland & Rumford Falls Railway Company. They are secured by a deposit with the trustee of \$150,000 6% Mortgage Bonds of the International Paper Company, and \$450,000 5% Mortgage Bonds of the Oxford Paper Company.

These bonds are GUARANTEED as to INTEREST by the Portland & Rumford Falls Railroad Company under terms of lease.

Redemption: These bonds are redeemable at par and interest February 1, 1924, and annually thereafter. Prior to that date, they are redeemable for the sinking fund at 105 and interest.

Sinking fund: The company agrees to set aside each year \$10,000 to redeem these bonds at not exceeding 105 and interest.

These bonds were quoted in 1909 on a 4.20 basis (bid)

1910	4.25
1911	4.25

Trustee: Portland Trust Company, Portland.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

RUMFORD FALLS & RANGELEY LAKES RAILROAD

First Sinking Fund Gold 5s

Dated October 1, 1897

Maturing October 1, 1937

Interest payable April 1 and October 1 at Old Colony Trust Company, Boston.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$400,000

Outstanding \$400,000
Per mile . . . 12,775

Security: The above bonds are secured by a first mortgage on the Rumford Falls & Rangeley Lakes Railroad Company's line from Rumford Falls to Bemis, Me., 27 miles, and Houghton Branch, 4.31 miles, totalling 31.31 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

Sinking fund: In addition to the above security there is a sinking fund of \$3,000 per annum to purchase these bonds at a price fixed by the trustee, subject to the approval of the directors of the com-

pany, or if not so purchasable, to be invested in securities which are legal investments for Massachusetts savings banks.

Trustee: Old Colony Trust Company, Boston.

The Rumford Falls & Rangeley Lakes Railroad Company was organized September 11, 1894, under the laws of the State of Maine. Its road was opened throughout September 1, 1902, and was leased for 1,000 years from April 1, 1907, to the Portland & Rumford Falls Railroad Company at an annual rental of interest and sinking fund charges on bonds outstanding, 2% per annum dividends on capital stock outstanding, and \$200 per year for maintaining the lessor company. The Portland & Rumford Falls Railroad Company, in turn, leased the property and franchises of the Rumford Falls & Rangeley Lakes Railroad Company and the Portland & Rumford Falls Railway Company to the Maine Central Railroad Company for 999 years from May 1, 1907, at an annual rental of \$328,000.

These bonds are considered a legal investment for savings banks in Maine.

BRIDGTON & SACO RIVER RAILROAD

First Mortgage 4s

Dated June 1, 1898

Maturing June 1, 1928

Interest payable June 1 and December 1 at the Trustee's office.

Coupon bonds of \$500 and \$1,000.

Authorized \$135,000

Outstanding \$135,000

Security: The above bonds are secured by a first mortgage on the entire property owned, including the company's line from Harrison to Bridgton Junction, Me., 21.25 miles.

Trustee: Union Safe Deposit & Trust Company, Portland.

The Bridgton & Saco River Railroad was chartered in perpetuity, July 19, 1881, under the laws of Maine. Its road was opened for traffic from Bridgton Junction to Bridgton in January, 1883, and the Harrison Extension was completed in August, 1898. On July 12, 1912, at a private sale, the Maine Central Railroad Company purchased almost the entire capital stock of the company, and from that time has operated it as an integral part of its own system.

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

BRIDGTON & SACO RIVER RAILROAD

Second Mortgage 4s

Dated June 1, 1901

Maturing June 1, 1928

Interest payable June 1 and December 1 at the Trustee's office.

Coupon bonds of \$500 and \$1,000.

Authorized \$35,000

Outstanding \$35,000

Security: The above bonds are secured by a second mortgage on the property covered by the First Mortgage 4s of 1928.

Trustee: Union Safe Deposit & Trust Company, Portland.

MAINE CENTRAL RAILROAD

Debenture 4% Notes

Dated April 1, 1909

Maturing April 1, 1914

Interest payable January 1, April 1, July 1, and October 1 at Boston, New York and Portland.

Coupon notes of \$1,000.

Authorized \$2,000,000

Outstanding \$2,000,000

Security: The above notes are a direct obligation of the Maine Central Railroad Company, but are not secured by a mortgage.

The proceeds of the above issue were used to refund \$1,000,000 maturing notes and to provide for new equipment and betterments to property.

These notes are considered a legal investment for savings banks in Rhode Island.

MAINE CENTRAL RAILROAD

Debenture 4% Notes

Dated March 15, 1912

Maturing March 15, 1913

Interest payable March 15 and September 15 at Boston, New York and Portland.

Coupon notes of \$1,000 and multiples.

Authorized \$12,000,000

Outstanding \$12,000,000

Security: The above notes are a direct obligation of the Maine Central Railroad Company, but are not secured by a mortgage.

The proceeds of this issue were used to refund maturing obligations of 1912.

These notes are considered a legal investment for savings banks in Rhode Island.

PORTLAND TERMINAL COMPANY

First Mortgage Gold 4s

Dated July 1, 1911

Maturing July 1, 1961

Interest payable January 1 and July 1, at New York, Boston or Portland.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds are interchangeable.

Authorized \$10,000,000

Outstanding \$4,500,000

Security: The above bonds are a direct obligation of the Portland Terminal Company, and are secured by a first mortgage on its entire property, including freight and passenger terminal properties in Portland, South Portland, and Westbrook, Me. The value of this property has been placed at \$5,700,000.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Maine Central Railroad Company by endorsement.

Trustee: Fidelity Trust Company, Portland.

The Portland Terminal Company was incorporated under the laws of Maine on February 15, 1887, as the Portland Union Railway Station Company. On March 23, 1911, its name was changed to the present one, with enlarged powers. The capital stock of the company is owned jointly by the Boston & Maine Railroad and Maine Central Railroad Companies, who pay as rental a sum sufficient to provide for interest and sinking fund charges on the company's obligations.

MICHIGAN CENTRAL RAILROAD COMPANY

MICHIGAN CENTRAL RAILROAD COMPANY

HISTORY

The original line of the Michigan Central Railroad Company consisted of a road between Detroit and Kalamazoo, Michigan, 144 miles, which had been built by the State of Michigan. The Michigan Central Railroad Company was incorporated in 1846 to acquire this line, the purchase price being \$2,000,000. Various extensions were built and opened as completed, one in 1848 extending the line to Niles, Michigan, 47 miles; another in 1850 to Michigan City, Indiana, 37 miles. In May, 1852, the line was opened throughout from Detroit to Kensington, Illinois.

December 30, 1901, the Michigan Central Railroad Company was reincorporated under the General Railroad Law of the State of Michigan, and surrendered its original charter, which had been repealed by a special Act of the Michigan Legislature the year before. In connection with this new charter, important litigation has been pending for a number of years relative to the company's claim against the State growing out of the repeal of its special charter. The counterclaim of the State against the company for alleged non-payment of back taxes during the years 1855 to 1893 was adjusted in June, 1910, by the payment to the State of \$125,000.

Since 1901 several important additions have been made to the system. Effective January 1, 1904, the Michigan Central Railroad Company leased the property operated by the Canadian Southern Railway Company for 999 years. The Michigan Central agreed to pay interest on the Canadian Southern bonds, and dividends on its \$15,000,000 capital stock at the rate of $2\frac{1}{2}\%$ annually until January 1, 1910, and 3% thereafter. Of this stock, the Michigan Central owns \$7,810,000.

In February, 1902, the Michigan Central Railroad Company, jointly with the Lake Shore & Michigan Southern Railway Company, took over the Detroit, Toledo & Milwaukee Railroad, 133 miles. In January, 1905, the Michigan Central assumed the operation of that part of the latter's line extending from Homer to Allegan, 66 miles, agreeing to pay all maintenance charges, taxes, and assessments during the corporate existence of the Detroit, Toledo & Milwaukee Railroad Company.

In January, 1906, the Michigan Central Railroad leased directly the property of the Toledo, Canada Southern & Detroit Railway Company for the period of its corporate existence. In the same year the company acquired \$3,000,000 common stock of the Chicago, Indiana & Southern Railroad Company. The balance, \$17,000,000, was acquired by the Lake Shore & Michigan Southern Railway Company. In December, 1906, a majority of the capital stock of the Chicago, Kalamazoo & Saginaw Railway Company was acquired. The latter company owns a railroad from Pavilion to Woodbury, Michigan, 55 miles, and in May, 1907, it purchased the entire capital stock of the Detroit & Charlevoix Railroad Company, owning a line from Frederick to East Jordan, Michigan, 45 miles.

The Michigan Central Railroad Company controls two important companies by ownership of their entire capital stocks, namely, the Detroit Belt Line Railroad and the Detroit River Tunnel Company. The former was chartered in May, 1909, with a capital stock of \$100,000. It owns valuable terminal and connecting railroad properties in Detroit, which the Michigan Central Railroad Company began to operate under an agreement dated July 20, 1909.

The Detroit River Tunnel Company was formed in 1906 to construct a double tunnel under and across the Detroit River. The work of construction was begun in October, 1906, and just four years later was put into experimental use for through freight traffic. It has proved an entire success, earning during its first fiscal year an amount sufficient to defray maintenance and operating expenses,

taxes, interest on its bonds, a dividend of 2% on its capital stock, and leave a surplus of \$160,000. The \$30,000,000 Detroit River Tunnel Company Terminal & Tunnel Gold Bonds, bearing the date of May 1, 1911, as issued, have been guaranteed as to principal and interest by the Michigan Central Railroad Company.

Together with the New York Central & Hudson River Railroad Company, the Lake Shore & Michigan Southern Railway Company, the Cleveland, Cincinnati, Chicago & St. Louis Railway Company and the Chicago, Indiana & Southern Railroad Company, the Michigan Central has participated in the issues of 1907, 1910, 1912, and 1913 of "New York Central Lines Equipment Trust Certificates." The obligation of these issues has been divided *pro rata* among the above, also the equipment purchased by the proceeds of the certificates. (See New York Central & Hudson River Railroad Company.)

The Michigan Central was responsible, December 31, 1911, for \$2,864,679 of the Certificates of 1907, and \$4,747,375 of the Certificates of 1910 outstanding. The certificates represent in each case 90% of the cost of the equipment which they cover.

A majority of the capital stock of the Michigan Central Railroad Company is owned by the New York Central & Hudson River Railroad Company. In January, 1912, the latter owned \$16,819,300 of the stock of this road, which it had acquired in 1898 by the exchange of its 3½% Collateral Trust Gold Bonds at the rate of \$115 in bonds for each \$100 in stock. In point of fact the Michigan Central is little more than one of the larger divisions of the New York Central. Nominally, it is operated separately and owned separately, but it has much the same directors and officers as the New York Central.

PROPERTY

The annual report of the Michigan Central for the fiscal year ending December 31, 1911, shows the following mileage:

Miles owned in fee	270.07
Miles of proprietary lines	343.31
Miles operated under lease	1,110.20
Miles operated under trackage arrangements	93.18
Total miles operated	1,816.76

The mileage operated in 1910 was 1,803.29 miles. There were no additions during the year, the increase of 13.47 miles being an account of corrections due to remeasurement.

The company's lines extend from Buffalo, across southern Ontario, to Detroit and Toledo (Canadian Southern Lines). From Detroit, a line runs northerly through central Michigan to Mackinaw City, and the original line of the company extends from Detroit to Joliet and Chicago, via Kalamazoo.

As the name implies, the bulk of the company's mileage (1,216 miles) lies in Michigan, whose population in 1890 was approximately 2,094,000, and, in 1912, 2,810,000.

CAPITALIZATION

December 31, 1911, the capitalization of the Michigan Central Railroad Company was approximately as follows:

Common stock	\$18,738,000
Funded debt	41,269,055
<hr/>	
Nominal capital of the Michigan Central Railroad	\$60,007,055
Leased line bonds	22,401,000
<hr/>	
Total nominal capitalization	\$82,408,055
Rentals capitalized at 5%	32,100,000
<hr/>	
Gross capitalization	\$114,508,055
Securities owned	9,373,719
<hr/>	
Net capitalization	\$105,134,336
<hr/>	
Net capital per mile operated	\$57,866
Average miles operated	1,816.76
Net income to net capital	10.1%
Fixed charges to net income	80.0%
Margin of safety	20.0%

The company's capital stock outstanding per mile of road owned (270 miles) was \$69,382, as compared with the Lake Shore & Michigan Southern Railway's figure of \$57,405 and that of the Cleveland, Cincinnati, Chicago & St. Louis Railway, \$31,708. The funded debts of the three companies, based on miles of road owned, compare as follows:

Michigan Central	\$110,511
Lake Shore	192,620
C. C. C. & St. L.	48,548

The net capitalization of these three similar properties per mile of road operated on December 31, 1911, together with the ratio of total net income to net capitalization, was approximately as follows:

	Net capitalization	Net income to net capital
Michigan Central	\$57,866	10.1%
Lake Shore	144,249	10.7
C. C. C. & St. L.	69,597	6.3

Although not earning as much as the Lake Shore, it would seem that the Michigan Central is not over-capitalized so far as earnings are concerned. The average net capitalization of the company for the decade ending December 31, 1911, was in the neighborhood of \$44,300 per mile, upon which an average of 8% was earned.

As will be noted above, the margin of safety for the company's fixed charges, including the interest on its bonds, was but 20%. The company's securities have always been considered a safe good investment, and in spite of this narrow margin, because of the great stability of earnings which the company records and because of the high maintenance charges which can be reduced if necessary.

CHARACTER OF TRAFFIC

Nearly 70% of the Michigan Central's business is freight. Of this, 38% represents products of mines, especially bituminous and anthracite coal. Upwards of 25% represents the carriage of manufactured articles, a profitable class of freight. The following table shows the number of revenue tons carried by the Michigan Central for the five years ending 1911:

Products of	1911 Tons	1910 Tons	1909 Tons	1908 Tons	1907 Tons
Agriculture . . .	2,455,882	2,238,490	2,389,261	2,373,045	2,172,775
Animals . . .	780,176	689,069	766,389	826,606	935,581
Mines . . .	7,318,605	7,098,050	6,133,308	5,355,084	6,095,635
Forests . . .	2,329,004	2,542,891	2,271,789	1,703,955	2,129,055
Manufactures	4,361,304	4,212,453	4,056,075	3,096,461	3,917,389
Miscellaneous	1,483,782	1,595,525	1,201,732	992,313	1,287,728
Total tonnage	18,728,753	18,376,478	16,818,554	14,347,464	16,538,163

Given below are the freight densities, train load tons, freight earnings and the average rates per ton per mile of the Michigan Central for the years 1907 to 1911 inclusive. It will be seen that, with a practically stationary rate for the period, earnings varied as the company's density figures. In 1911 the Michigan Central's freight earnings were \$250,000 greater than in 1910, although nearly \$400,000 smaller than the record earnings of 1907.

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	1,734,098	420	\$19,926,803	\$.0064
1908	1,508,660	379	16,947,001	.0063
1909	1,670,374	406	18,267,530	.0063
1910	1,724,972	419	19,282,288	.0063
1911	1,700,602	424	19,538,684	.0064

Nearly one-quarter of the company's business is passenger. With the exception of 1908, when there was a decline in local and interline passenger traffic, there have been steady increases reported in passenger density — the number of passengers carried one mile per mile of road operated — passenger train load, and earnings, since 1907.

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	183,911	52	\$6,541,102	\$.0205
1908	181,791	55	6,030,419	.0195
1909	200,702	54	6,655,698	.0195
1910	217,085	56	7,404,475	.0195
1911	219,703	57	7,607,052	.0198

EARNINGS

The Michigan Central's gross and net earnings for the five years ending 1911 are as follows:

Year	Miles operated	Earnings		Earnings		Operating rate
		Gross	Per mile	Net	Per mile	
1907	1,746	\$28,547,109	\$16,350	\$5,415,359	\$3,102	81.03%
1908	1,746	24,918,487	14,272	5,913,135	3,388	76.27
1909	1,746	27,415,467	15,702	8,915,938	5,108	67.48
1910	1,803	29,694,815	16,469	8,065,909	4,474	72.84
1911	1,817	30,164,490	16,601	9,418,259	5,186	68.78

All the revenue-producing departments of the company reported decreases in gross earnings in 1908. Freight earnings fell nearly \$3,000,000, due to decreased movement in nearly all commodities; passenger and express earnings together declined over \$500,000. Curtailments of expense were effected through general economies. \$3,000,000 was taken from the maintenance accounts and \$1,100,000 less was spent for transportation costs than in 1907, reducing the operating ratio to 76.27% as compared with the relatively high figure of 81.03% in 1907.

From 1909 to 1911 substantial increases were reported in gross earnings and, with the exception of 1910, in net earnings. During the fiscal year 1911 the Michigan Central showed the largest gross and net earnings it had ever reported. Gross earnings increased \$470,000 and operating expenses decreased about \$880,000, reducing the company's operating ratio to 68.78% as above.

MAINTENANCE

The Michigan Central Railway Company has spent the following amounts for maintenance of way and equipment since 1907:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$4,991,923	\$4,070,277	\$9,062,200	\$5,190
1908	3,061,374	2,978,743	6,040,117	3,459
1909	3,458,165	3,756,581	7,214,746	4,131
1910	4,035,260	4,124,365	8,159,625	4,525
1911	3,549,204	3,800,772	7,349,976	4,044

A glance at the per mile column above will show that the Michigan Central has spent large sums for maintenance, especially in 1907, when nearly \$5,200 of income per mile was put directly back into the property. During the period in question the company spent nearly \$38,000,000 for maintenance of way and equipment, an average of over \$7,500,000 per year, or \$4,270 per mile.

During the decade the traffic density and the maintenance charges of the Michigan Central, the Lake Shore, and the Big Four, similar properties, have averaged as follows:

Ten-year average	Traffic density	Maintenance per mile
Michigan Central	1,730,894	\$4,270
Lake Shore	3,736,996	8,245
C. C. C. & St. L.	1,608,160	3,566

Relatively speaking, the Michigan Central's showing is the best. The Lake Shore's traffic density is over 116% greater than that of the Michigan Central's, while the former spent 93% more than the latter. The Michigan Central, with a traffic density of but 123,000 more than the Big Four, spent \$700 a mile more than the latter.

ADDITIONS AND BETTERMENTS

Not until 1909 did the company tabulate the amounts it spent for additions and betterments. The following table shows how much has been spent since then and charged to "Cost of Property and Equipment":

Year	Additions and betterments		Total
	Main line	Leased and proprietary lines	
1909	\$1,069,702	\$872,734	\$1,942,436
1910	10,223,514	1,001,234	11,224,748*
1911	176,754	544,202	720,954
			<hr/> \$13,888,138

Since June 30, 1907, the Michigan Central has spent \$3,756,123 of income for additions to property. This figure appears on the balance sheet of December 31, 1911, in accordance with the ruling of the Interstate Commerce Commission.

DIVIDENDS

Since 1895 the company has paid the following dividends:

Year	Rate	Year	Rate
1895-1906	4%	1908	5%
1907	6	1909-1912	6

Previous to 1895 the Michigan Central paid somewhat higher dividends than 4%, but the payments were not regular. On December 31, 1911, the company showed a free surplus of \$11,228,059, which, together with the surplus of \$3,756,123, appropriated for additions to property, amounted to \$14,984,182, or 80% of the company's outstanding capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Michigan Central Railroad, based on the average miles operated for the year 1900 and for the years 1905 to 1911 inclusive:

* The 1910 figures include new equipment purchased with the proceeds of the Equipment Trust Certificates.

MICHIGAN CENTRAL RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$11,460	\$25,680	\$5,934	\$43,074	\$466	\$42,608	1,635	262
1905	10,738	26,416	6,432	43,586	4,117	39,469	1,745	439
1906	10,738	27,316	6,490	44,544	6,208	38,336	1,745	518
1907	10,732	33,886	5,844	50,462	7,186	43,276	1,746	547
1908	10,732	35,465	5,844	50,041	4,660	45,381	1,746	547
1909	10,732	36,976	5,844	53,552	5,360	48,192	1,746	547
1910	10,392	35,647	6,493	52,532	4,791	47,741	1,803	610
1911	10,312	35,041	17,672*	63,025	5,139	57,886	1,817	610

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$10,229	\$1,616	\$1,472	\$4,716	\$2,425	\$27	\$2,452	\$1,940	\$512
1905	13,343	1,959	2,513	6,338	2,533	181	2,714	2,155	559
1906	13,057	2,000	3,176	7,277	2,604	230	2,834	2,269	565
1907	16,350	2,859	2,331	8,058	3,102	402	3,504	2,513	991
1908	14,272	1,753	1,706	7,425	3,388	375	3,763	2,830	933
1909	15,702	1,980	2,151	6,463	5,108	539	5,447	3,686	1,761
1910	16,469	2,238	2,287	7,470	4,474	606	5,080	4,127	953
1911	16,601	1,953	2,091	7,372	5,186	649	5,835	4,668	1,167

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$453	\$49	\$10	76.28%	29.2%	47.1%	19.0%	23.7%	5.7%	4.5%
1905	424	..	135	81.03	33.4	47.6	16.2	30.6	6.8	5.2
1906	537	..	28	82.70	34.2	48.5	15.1	33.8	7.4	5.3
1907	860	..	131	81.03	32.6	49.4	15.4	32.4	8.1	9.2
1908	640	..	293	76.27	24.3	52.0	20.0	28.5	8.3	8.7
1909	640	314	807	67.48	26.3	41.2	23.4	29.3	11.3	16.4
1910	623	138	192	72.84	27.3	45.5	25.1	31.4	10.7	9.1
1911	618	..	549	68.78	24.4	44.4	26.1	26.3	10.1	14.5

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.23	\$.194	\$.177	\$.567	\$.29	\$.0219	\$.0059	1,226,974	228	71%	14,827
1905	1.96	.287	.369	.930	.38	.0206	.0062	1,481,375	418	70	17,340
1906	2.06	.273	.434	.994	.36	.0210	.0063	1,668,100	439	70	20,024
1907	2.16	.377	.308	1.064	.41	.0205	.0064	1,734,098	420	70	20,394
1908	2.00	.246	.239	1.041	.47	.0195	.0063	1,508,660	379	68	20,074
1909	2.10	.365	.288	.866	.68	.0195	.0063	1,670,374	406	67	19,780
1910	2.19	.297	.303	.991	.59	.0198	.0063	1,724,972	419	65	19,450
1911	2.24	.264	.282	.996	.70	.0198	.0064	1,700,602	424	65	18,766

* Increase due to tolls on the Detroit River Tunnel.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Michigan Central Railroad System, together with the bases on which they have sold during the decade ending December 31, 1912:

MICHIGAN CENTRAL RAILROAD

First Mortgage 3½s

Dated May 1, 1902

Maturing May 1, 1952

Interest payable May 1 and November 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$18,000,000

Outstanding \$14,000,000

Per mile . . . 51,850

Provisions of issue: Of the \$18,000,000 authorized, \$14,000,000 are outstanding as above, and the balance, \$4,000,000, have been reserved for additions and improvements, with restrictions.

Security: The above bonds are secured by a first mortgage on the company's road from Detroit, Mich., to Kensington, Ill., via Kalamazoo, Mich., 270.07 miles, together with terminal properties on the line and future acquisitions. The mileage mortgaged above is the best part of the company's entire property.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1903 on a 3.50 to 3.60 basis

1904	3.62	3.65
1905	3.50	3.60
1906	3.55	3.72
1907	3.75	3.85
1908	3.87	4.10
1909	3.80	4.05
1910	4.00	4.20
1911	4.05	4.15
1912	4.20	4.25

These bonds are considered a legal investment for savings banks in New England.

MICHIGAN CENTRAL RAILROAD

Detroit & Bay City Railroad First Mortgage 5s

Dated March 10, 1881

Maturing March 1, 1931

Interest payable on coupon bonds on March 1 and September 1; on registered bonds March 1, June 1, September 1 and December 1, at the Union Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or exchangeable for registered bonds.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$4,000,000

Outstanding \$4,000,000

Per mile . . . 23,400

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on 170 miles of the Detroit & Bay City Railroad's lines, including

the one from Detroit to Bay City, Mich., 107 miles. The above mortgage was executed jointly by the Michigan Central Railroad and the Detroit & Bay City Railroad Companies.

Trustee: Union Trust Company, New York.

The Detroit & Bay City Railroad was organized in May, 1871. Its main line was opened through-out July 31, 1873. Interest payments on the company's funded debt were defaulted in May, 1875, and the property was sold under foreclosure, February 12, 1881, being purchased for the account of the Michigan Central Railroad Company, which took possession April 1, 1881, and has operated it ever since.

These bonds sold in 1905 on a 3.75 basis	
1910	4.30 (bid)
1911	4.25 (bid)
December, 1912	4.50 (bid)

These bonds are considered a legal investment for savings banks in New England.

MICHIGAN CENTRAL RAILROAD

Jackson, Lansing & Saginaw Railroad First Mortgage 3½s

Dated September 1, 1901

Maturing September 1, 1951

Interest payable March 1 and September 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$1,723,000
Per mile . . . 4,650

Provisions of issue: Of the \$2,000,000 authorized and issued, \$1,723,000 are outstanding as above, and \$277,000 have been purchased and retired by the Land Grant Trustees.

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on 370.07 miles of the Jackson, Lansing & Saginaw Railroad's lines, including the one from Jackson to Mackinaw City, Mich., 296 miles. The above mortgage was executed by the Jackson, Lansing & Saginaw Railroad Company.

Trustee: Guaranty Trust Company, New York.

The Jackson, Lansing & Saginaw Railroad Company was organized February 24, 1865, in Michigan, to take over the incomplete Amboy, Lansing & Traverse Bay Railroad, which had been opened between Owosso and Lansing, Michigan, in 1863. It was leased in perpetuity to the Michigan Central Railroad Company, commencing September 1, 1871. By an agreement the latter possesses and operates the road, and owns \$674,300 of the \$2,000,000 capital stock of the company.

In December, 1912, a 4.15 basis was asked for these bonds.

The above bonds are considered a legal investment for savings banks in New England.

MICHIGAN CENTRAL RAILROAD

Kalamazoo & South Haven Railroad First Mortgage Currency 5s

Dated November 1, 1889

Maturing November 1, 1939

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.
Registered bonds of \$1,000 and \$5,000.

Authorized \$700,000

Outstanding \$700,000
Per mile . . . 17,500

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on the Kalamazoo & South Haven Railroad Company's line from Kalamazoo to South Haven, Mich., 39.5 miles, together with future acquisitions. The above mortgage was executed jointly by the Michigan Central Railroad and the Kalamazoo & South Haven Railroad Companies.

Trustee: Guaranty Trust Company, New York.

The Kalamazoo & South Haven Railroad was organized April 15, 1869, in Michigan. Its line was opened for traffic, January 2, 1871, when it was operated under a lease by the Michigan Central Railroad Company, who guaranteed interest on the company's bonds and assumed its funded obligations. The latter owns \$257,500 of the \$325,400 capital stock of the Kalamazoo & South Haven Railroad.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

MICHIGAN CENTRAL RAILROAD

Michigan Air Line Railroad First Mortgage Currency 4s

Dated January 1, 1890

Maturing January 1, 1940

Interest payable January 1 and July 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000.
Registered bonds of \$1,000 and \$5,000.

Authorized \$2,600,000

Outstanding \$2,600,000
Per mile . . . 22,600

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on the Michigan Air Line Railroad's line from Jackson, Mich., to South Bend, Ind., 115.16 miles, together with future acquisitions. These bonds were executed jointly by the Michigan Central and the Michigan Air Line Railroad Companies.

Trustee: Union Trust Company.

The Michigan Air Line Railroad was organized August 25, 1868, and consolidated with the St. Joseph Valley Railroad Company in October, 1870. Its line was thrown open for traffic in February,

1871, from which time it was leased for 999 years to the Michigan Central Railroad Company at a rental equal to the interest accruing on issued bonds. The latter owns \$334,262 of the \$392,750 capital stock of the Michigan Air Line Railroad Company.

These bonds sold in 1909 on a 4.00 to 4.08 basis

1910	4.15 basis (bid)
1911	4.10 (asked)
1912	4.12

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Connecticut.

MICHIGAN CENTRAL RAILROAD

Joliet & Northern Indiana Railroad First Mortgage 4s

Dated July 10, 1907

Maturing July 10, 1957

Interest payable January 10 and July 10 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds interchangeable.

Authorized \$3,000,000

Outstanding \$1,500,000

Per mile . . . 33,330

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on the Joliet & Northern Indiana Railroad's line from Lake Station, Ind., to Joliet, Ill., 45 miles, together with future acquisitions. The above mortgage was executed jointly by the Michigan Central and the Joliet & Northern Indiana Railroad Companies.

Trustee: Guaranty Trust Company, New York.

The Joliet & Northern Indiana Railroad Company was leased from the date of its completion in September, 1854, in perpetuity, to the Michigan Central Railroad Company, at a rental equal to 5% on the company's outstanding stock, interest on the company's bonds, and organization expenses. The entire capital stock of this company is owned by the Michigan Central Railroad Company.

These bonds were quoted in December, 1912, on a 4.30 basis.

These bonds are considered a legal investment for all savings banks in New England except Vermont.

MICHIGAN CENTRAL RAILROAD

Grand River Valley Railroad First Mortgage 4s

Dated September 1, 1909

Maturing September 1, 1959

Interest payable March 1 and September 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and multiples.

Coupon and registered bonds interchangeable.

Authorized \$4,500,000

Outstanding \$1,500,000

Per mile . . . 17,850

Provisions of issue: Of the total amount authorized, \$1,500,000 are outstanding as above, and the balance, \$3,000,000, has been reserved for improvements, additions and extensions, with restrictions.

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, and are secured by a first mortgage on the Grand River Valley Railroad line from Rives Junction to Grand Rapids, Mich., 83.79 miles, together with future acquisitions. The above mortgage was executed jointly by the Michigan Central and the Grand River Valley Railroad Companies.

Trustee: Guaranty Trust Company, New York.

The Grand River Valley Railroad was chartered under the laws of the State of Michigan in 1846, and opened for traffic in the spring of 1870. It was leased from the date of its opening to the Michigan Central Railroad Company, which pays as a rental the interest on the company's bonds and 5% on its stock. The Michigan Central Railroad Company owns \$156,900 of its \$491,200 capital stock.

These bonds were quoted in December, 1912, on a 4.35 basis (bid).

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

MICHIGAN CENTRAL RAILROAD

Twenty-year Debenture Gold 4s

Dated April 1, 1909

Maturing April 1, 1929

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000, and multiples of \$10,000.

Authorized \$25,000,000

Outstanding \$7,634,000

Security: The above bonds are a direct obligation of the Michigan Central Railroad Company, but are not secured by a mortgage. The company, however, agrees in its indenture to make no new mortgage upon its road without equally securing thereby the bonds of this issue.

Trustee: Guaranty Trust Company, New York.

These bonds were sold in 1909 on a 4.35 to 4.65 basis

1910	4.60	4.90
1911	4.60	4.80
1912	4.70	5.00

These bonds are considered a legal investment for savings banks in New Hampshire.

TOLEDO, CANADA SOUTHERN & DETROIT RAILWAY

First Mortgage 4s

Dated January 2, 1906

Maturing January 1, 1956

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.
Coupon and registered bonds interchangeable.

Authorized \$4,500,000

Outstanding \$3,100,000
Per mile . . . 52,550

Provisions of issue: Of the total amount authorized, \$1,600,000 are outstanding in the hands of the public, and \$1,500,000 are owned by the Canada Southern Railway, upon which no interest is paid. The balance, \$1,400,000, has been reserved for extensions, improvements and additions, with restrictions.

Security: The above bonds are secured by a first mortgage on the Canada Southern Railway's line from West Detroit to Canada Southern Junction, O., 59 miles. These bonds were issued to the Canada Southern Railway Company in payment of old bonds and arrears of interest thereon.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by endorsement by the Michigan Central Railroad Company.

Trustee: Guaranty Trust Company, New York.

The Toledo, Canada Southern & Detroit Railway was chartered July 19, 1872, under the laws of Michigan and Ohio, as the consolidation of the Detroit & State Line Railroad Company of Michigan and the Junction Railway Company of Ohio. It was leased in perpetuity to the Michigan Central Railway Company January 2, 1906, at a rental equal to the principal and interest on the above bonds.

These bonds were quoted in 1909 on a 4.30 basis (bid)

1910	4.35
1911	4.35
December, 1912	4.37

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

BATTLE CREEK & STURGIS RAILWAY

First Mortgage 3s

Dated December 1, 1889

Maturing December 1, 1890

Interest payable June 1 and December 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 12,200

Security: These bonds are secured by a first mortgage on the company's line from Battle Creek to Sturgis, Mich., 41 miles, together with all property now owned or hereafter acquired, and all franchises and incomes.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by endorsement by the Michigan Central Railroad Company. The Lake Shore & Michigan Southern Railway GUARANTEES bonds numbered 1 to 79 inclusive.

The above mileage is operated by both the Michigan Central Railroad and the Lake Shore & Michigan Southern Railway Companies, the former operating 33.8 miles from Battle Creek to Findlay, Mich., the latter 7.2 miles from Findlay to Sturgis.

Trustee: Metropolitan Trust Company, New York.

The Battle Creek & Sturgis Railway was chartered November 14, 1889, under the laws of the State of Michigan, being organized to take over the property of the St. Louis, Sturgis & Battle Creek Railway Company which had been placed in the hands of a receiver in January of that year. The entire capital stock of the Battle Creek & Sturgis Railway Company is owned by the Michigan Central Railroad and the Lake Shore & Michigan Southern Railway Companies, the former holding \$417,500, and the latter \$82,500 of the \$500,000 stock.

These bonds were quoted in 1909 on a 4.35 basis (bid)

1910 4.35

1911 4.35

December, 1912 4.55

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

BAY CITY & BATTLE CREEK RAILWAY

First Mortgage 3s

Dated December 1, 1889

Maturing December 1, 1989

Interest payable June 1 and December 1 at the Union Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,800,000

Outstanding \$250,000
Per mile . . . 13,890

Provisions of issue: Of the amount outstanding, as above, \$202,000 are held by the public, and \$48,000 are in the treasury of the Michigan Central Railroad Company. The balance, \$1,550,000, is issuable for new construction at \$15,000 a mile.

Security: The above bonds are secured by a first mortgage on the company's line, from Bay City to Battle Creek, Mich., 18 miles, together with all property of every kind acquired or hereafter acquired, and also all rights and franchises.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by endorsement by the Michigan Central Railroad Company.

Trustee: Metropolitan Trust Company, New York.

The Bay City & Battle Creek Railway Company was chartered November 14, 1889, under the laws of Michigan. Its road was opened for traffic in December, 1889, and it passed under the control of the Michigan Central Railroad Company June 1, 1890, through the ownership of the company's entire capital stock.

These bonds were quoted in 1909 on a 4.35 basis (bid)

1910	4.35
1911	4.35
December, 1912	4.55

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CANADA SOUTHERN RAILWAY

First & Refunding Consolidated Mortgage 5s

Dated October 1, 1912

Maturing October 1, 1962

Interest payable April 1 and October 1 at New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds interchangeable.

Authorized \$40,000,000

Outstanding \$22,500,000

Provisions of issue: Of the total amount authorized \$22,500,000 are outstanding as above, \$130,000 have been reserved to retire prior liens, and \$17,370,000 have been reserved for improvements and extensions, limited by the terms of the indenture to \$3,000,000 annually.

Security: The above bonds are a direct obligation of the Canada Southern Railway Company, and are secured by a direct first lien on 366.24 miles of road, including the lines from Windsor to Suspension Bridge 226.18 miles, St. Clair Junction to Courtrigge 62.63 miles, and Niagara to Fort Erie 30.6 miles, all in Ontario. They are further secured by a second mortgage on 13.80 miles from Comber to Leamington covered by the first lien of the Leamington & St. Clair First Mortgage 4s of 1945.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Michigan Central Railroad Company.

Trustee: Guaranty Trust Company, New York.

The Canada Southern Railway Company was chartered February 28, 1868, under the Laws of the Dominion of Canada. The entire line was open for traffic November 15, 1873. On January 1, 1883, the Michigan Central Railroad Company began to operate the property of the Canada Southern Railway Company, under a special agreement which terminated January 1, 1904. On the same day the Michigan Central Railroad Company took a lease of the property for 999 years, agreeing to pay as rentals, dividends at the rate of $2\frac{1}{2}\%$ per annum until January 1, 1910, and 3% per annum thereafter, at the same time assuming all the obligations of the company.

The Michigan Central Railroad Company owns \$7,810,000 of the \$15,000,000 capital stock of the Canada Southern Railway Company. J. P. Morgan & Company offered \$20,000,000 of the above bonds to the holders of First Mortgage 5s and Second Mortgage 5s maturing respectively January 1, 1913, and March 1, 1913, in exchange for the same. The balance, \$2,500,000, was offered to the public at 106 and interest.

These bonds are considered a legal investment for savings banks in Rhode Island.

LEAMINGTON & ST. CLAIR RAILWAY

First Mortgage 4s

Dated October 1, 1895

Maturing October 1, 1945

Interest payable April 1 and October 1 at the Bank of Montreal, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$130,000

Outstanding \$130,000
Per mile . . . 9,300

Security: The above bonds are secured by a first mortgage on the Leamington & St. Clair Railway from Leamington to Comber Station, Ontario, 13.80 miles; also on lands, buildings, rolling stock, incomes and franchises now owned or hereafter acquired.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Canada Southern Railway Company by endorsement.

Equity: These bonds are prior in lien to the Canada Southern Railway First 5s of 1962.

The Leamington & St. Clair Railway Company was chartered March 2, 1887. The road was opened throughout in November, 1888. In June, 1895, the company was purchased by the Canada

Southern Railway Company, and was merged in that road in 1904. The Canada Southern Railway Company owns the entire capital stock and guarantees principal and interest on the bonds by endorsement.

DETROIT RIVER TUNNEL COMPANY

Detroit Terminal & Tunnel First Mortgage $4\frac{1}{2}\%$

Dated May 1, 1911

Maturing May 1, 1961

Interest payable May 1 and November 1 at New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$30,000,000

Outstanding \$14,000,000

Provisions of issue: Of the \$30,000,000 authorized, \$14,000,000 are outstanding as above, and the balance, \$16,000,000, has been reserved for additions, improvements, extensions, additional real estate, equipment or other property, with restrictions.

Security: The above bonds are secured by a first mortgage on all terminal and tunnel property now or hereafter constructed, and all property used in connection therewith; also on interest in any agreement made between the company and the Michigan Central Railroad Company for maintenance and operation of this property; also on all incomes and franchises.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Michigan Central Railroad Company by endorsement.

Trustee: Guaranty Trust Company, New York.

The Detroit River Tunnel Company was formed in 1906 to construct a double tunnel under and across the Detroit River. In 1910 the work was completed and the tunnel put in operation.

These bonds were quoted in December, 1912, on a 4.62 basis (bid).

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY

NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY

HISTORY

The New York Central & Hudson River Railroad Company, one of the most important in the United States, actually operates, directly and through controlling interests, over 12,700 miles of main track, including the properties of the Lake Shore & Michigan Southern Railway, the Michigan Central Railroad, the New York, Chicago & St. Louis Railway, the Lake Erie & Western Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, the Chicago, Indiana & Southern Railroad, the Cincinnati Northern Railroad, the Pittsburgh & Lake Erie Railroad, the Toledo & Ohio Central Railway, besides its own system of directly operated and leased lines located east of Buffalo and Lake Erie.

The system covers a thickly settled territory, including most of the important commercial centres in the States of New York, Ohio, Indiana, Illinois and Michigan. It serves the cities of New York, Chicago, St. Louis, Boston, Cleveland, Pittsburg, Detroit, Buffalo, Columbus, Cincinnati, etc.

The New York Central & Hudson River Railroad Company proper was organized November 1, 1869, as the consolidation of the New York Central Railroad and the Hudson River Railroad Companies. The former had been organized as early as 1853 to consolidate the railroads between Albany and Buffalo, New York. The Hudson River Railroad Company was chartered May 12, 1846, and the road was thrown open to traffic over its entire length from New York to Albany in the fall of 1851.

From the outset the New York Central & Hudson River Railroad Company began building up a system of leased lines. The New York & Harlem Railroad, which had been chartered in 1831, was leased for 400 years from April 1, 1873, its rental being 8% on the company's stock and interest on its bonds. The Spuyten Duyvil & Port Morris Railroad was leased from November, 1871, to December 31, 1970, at a rental of 8% on its cost. The Dunkirk, Allegheny Valley & Pittsburgh Railroad, the Syracuse Junction Railroad, the Junction Railroad of Buffalo, the Geneva & Lyons Railroad and others were leased prior to 1885.

The West Shore Railroad, an important line operating nearly 500 miles of main track, was leased to the New York Central for 475 years from January 1, 1886, at a rental of 4% yearly on \$50,000,000 first mortgage bonds. This road was the reorganized New York, West Shore & Buffalo Railroad, which has been sold under foreclosure in November, 1885.

In 1900, for the purpose of gaining terminal rights in Boston, the New York Central leased the Boston & Albany Railroad for 99 years at a rental equivalent to the interest on the Albany's outstanding bonds, 8% on its outstanding capital stock, and \$10,000 per year for expenses of organization.

Adopting a plan similar to that of The New York, New Haven & Hartford Railroad, the New York Central has secured control of several important traction companies and lighting properties which it controls through holding companies. The lighting companies are held by the Mohawk Valley Company and the traction lines by the New York State Railways Company. On December 31, 1911, the New York Central owned \$5,114,300 of the capital stock of the Mohawk Valley Company, upon which dividends of 6% are being paid. It is reported that the New York Central desires to divest itself of the lighting properties held by the Mohawk Valley Company, and that an eastern banking syndicate has an option on the Central's holdings in the same.

The New York State Railways Company was incorporated March 23, 1909, to take over the traction companies formerly held by the Mohawk Valley Company. It operates over 400 miles of street railway lines adjacent to and in Rochester, Syracuse, Utica, Schenectady, Albany, Troy and Rome, New York. On December 31, 1911, the New York Central owned \$13,604,900 of the \$23,814,900 of the capital stock outstanding. In July, 1910, an initial quarterly dividend of $1\frac{1}{2}\%$ was paid on the common stock.

During 1910 the operation of trains by electricity was extended from New York to Hastings, on the Hudson River Division. For trains equipped with the multiple unit system, the extension of electric operation on the Harlem Division from Wakefield to North White Plains was also accomplished. In November, 1911, the operation by electricity of trains on the Hudson River Division was extended to Tarrytown, New York.

In order to procure equipment sufficient to meet the steadily growing requirements, the New York Central & Hudson River Railroad Company, together with the Lake Shore & Michigan Southern Railway Company and the Michigan Central Railroad Company, the Cleveland, Cincinnati, Chicago & St. Louis Railway Company, and the Chicago, Indiana & Southern Railroad Company became a party to equipment trust agreements in 1907, 1910, 1912 and 1913 known as the "New York Central Lines Equipment Trusts" of the above-named years. The agreement provides for the issuance of equipment trust certificates at 90% of the total cost of equipment to be furnished under the term of each of the agreements. The certificates mature serially and the obligations incurred are divided *pro rata* among the various companies which are parties to the agreements.

The following statement shows the amount of equipment and certificates outstanding, also the *pro rata* distribution of both, under the terms of the Equipment Trusts of 1907 and 1910:

Equipment Trust of 1907

Road	Equipment	Certificates	
		Issued	Outstanding
N. Y. C. & H. R. R. R.	4,535	\$11,904,902	\$8,730,261
L. S. & M. S. Ry.	4,350	6,708,393	4,919,488
C. I. & S. R. R.	3,560	3,779,976	2,771,983
M. C. R. R.	3,720	3,906,382	2,864,680
C. C. C. & St. L. Ry.	1,754	3,700,347	2,713,588
Totals	17,919	\$30,000,000	\$22,000,000

Equipment Trust of 1910

Road	Equipment	Certificates	
		Issued	Outstanding
N. Y. C. & H. R. R. R.	4,157	\$6,509,466	\$6,075,502
L. S. & M. S. Ry.	12,910	13,771,066	12,852,995
C. I. & S. R. R.	1,033	1,638,607	1,529,367
M. C. R. R.	3,421	5,086,474	4,747,375
C. C. C. & St. L. Ry.	1,686	2,994,387	2,794,761
Totals	23,207	\$30,000,000	\$28,000,000

The Equipment Trust of 1912 provides for an issue of \$15,000,000 equipment trust certificates bearing interest at $4\frac{1}{2}\%$ per annum, being 90% of the total cost of equipment furnished under its terms. They mature \$1,000,000 annually, beginning January 1, 1913. The cost of the equipment assigned to the New York Central & Hudson River Railroad Company was approximately \$7,950,000, and the *pro rata* amount of the certificates representing 90% of the costs approximated \$7,155,000.

Under the date of January 1, 1913, a new issue of equipment trust certificates was issued bearing interest at $4\frac{1}{2}\%$. The total authorized amount was \$24,000,000, and the proceeds were to be expended for the cost of new equipment and not to exceed 90% of the same. The Equipment Trust certificates of 1913 mature \$836,000 annually, beginning January 1, 1914. The equipment purchased will be distributed *pro rata* among the companies which jointly and severally covenant to pay the principal and interest of the same.

In February, 1911, the New York Central sold to The New York, New Haven & Hartford Railroad Company one-half of its holdings in the preferred stock of the Rutland Railroad Company, thereby sharing its control with the latter in that property. The Public Service Commission of the State of New York approved the sale of the other half of the New York Central's holdings to the New Haven, but in December, 1912, this sale had not gone through.

Effective July 1, 1911, a ten-year agreement was entered into by the New York Central with The New York, New Haven & Hartford, whereby the latter receives extensive trackage rights over the Boston & Albany Railroad. In return for this right the results of operation of the Boston & Albany will be shared equally by both, and each will have a half interest in the net results of the New York Central's operations under the lease of July 1, 1900.

In December, 1911, the New York Central & Hudson River Railroad Company applied to the Public Service Commission of New York for permission to purchase all or any part of the \$10,000,000 stock of the New York & Harlem Railroad at not over \$175 per \$50 share. At the same time it applied for permission to acquire the majority holdings of The New York, New Haven & Hartford of the common stock in the New York, Ontario & Western Railway Company. The commission granted permission in the former case; and, pending minor arrangements between the parties in question, the capital stock of the New York & Harlem Railroad was taken over during the 1912 fiscal year. The commission refused the company the right to take over the holdings of the "New Haven" in the New York, Ontario & Western Railway.

Under the date of April 10, 1912, the New York Central offered the stockholders of the Rome, Watertown & Ogdensburg Railroad, a company operated by it under lease, \$128 per share in cash for the outstanding capital stock of that company, and independent of this offer, to give these same stockholders the right to subscribe for New York Central Thirty-year 4% Debentures of January 1, 1912, at 92.

These recent attempts of the New York Central to procure control of the capital stocks of the various companies which it leases is in accordance with the plan of consolidation which was announced late in 1911. This plan calls for the merging of the various lines comprising the New York Central System into one company, and if, in the near future, the holders of the New York Central-Lake Shore Collateral $3\frac{1}{2}\%$ bonds, secured by the stock of the Lake Shore & Michigan Southern Railway Company, consent, it is expected that the latter company will be merged into that of the New York Central.

EQUITIES

This amalgamation of the operating companies of the New York Central System brings up the question of the equities of the New York Central proper in the stocks and earnings of these companies. That these equities are extremely valuable is attested by the fact that they produced in 1911 over \$12,000,000 in the form of interest on funded debt owned and dividends on stocks owned or controlled. This was upon securities held in the treasury of the company having a book value of \$167,985,772. The income therefrom was equivalent to 7.2% on the investment, and 5.3% on the Central's outstanding capital stock.

In the first place, the New York Central owns over 90% of the stock of the Lake Shore & Michigan Southern Railway Company, which, besides being an important operating company, is also a large holding company, controlling the Cleveland, Cincinnati, Chicago & St. Louis Railway, the Pittsburgh & Lake Erie Railroad and others, also valuable equities in the Reading Company, which,

in turn, controls the properties of the Philadelphia & Reading Coal & Iron Company, the Reading Iron Company, the Philadelphia & Reading Railway Company and the Central Railroad of New Jersey, and so on. Nearly 90% of the stock of the Michigan Central Railroad is owned by the New York Central. The latter owns the stocks of the Chicago, Kalamazoo & Saginaw Railway and the Detroit & Charlevoix Railroad Companies, also a majority of the stock of the Canada Southern Railroad Company. Besides this, the Central controls the Mohawk Valley Company and the New York State Railways, described above, and there are substantial equities behind both of these holding companies.

The total capital stock outstanding of the New York Central, the Lake Shore & Michigan Southern and its subsidiaries, including the Reading Company, the Michigan Central Railroad Company and its subsidiaries, the Mohawk Valley Company, the New York State Railway, the Rutland Railroad, the St. Lawrence & Adirondack Railway, the Toronto, Hamilton & Buffalo Railway, the Indiana Harbor Belt Railroad and the American Express Company amounted to \$737,-643,800 on December 31, 1911. Of this amount, \$246,496,050 was owned by or in the interest of the New York Central. This was 33.42% of the total. The total undivided surpluses of these companies, as shown by their balance sheets, amounted to \$131,297,050. Figured on the basis of the Central's holdings in the respective properties, its proportion in the above undivided surpluses was \$79,218,650. This latter figure does not include equities in the properties of the holding companies mentioned above. They are not accurately or easily obtainable, but if they could be included it seems probable that the New York Central's share would be increased to well over \$100,000,000.

PROPERTY

The New York Central & Hudson River Railroad Company operated during the fiscal year ending December 31, 1911, including lines directly owned and leased lines, a total mileage of 3,790.23 miles as follows:

Miles owned in fee	805.49
Miles of proprietary lines	3.06
Miles operated under lease	2,626.31
Miles operated under contract	81.70
Miles operated under trackage arrangements	273.67
 Total miles operated	 <u>3,790.23</u>

During the year 5.2 miles of road were added, due to the construction of a branch line on the Rome, Watertown & Ogdensburg Railroad, running from Sanfords to a point on the Cape Vincent Branch, forming thereby a new route for freight traffic between Watertown and Sanfords, New York.

The New York Central's lines directly owned extend from New York to Syracuse, via Albany, and from Syracuse connect with Buffalo and Niagara, New York, over two parallel lines. The leased and subsidiary roads extend from New York to Buffalo with branches southerly from Geneva and Dunkirk, extending into Pennsylvania, northerly from Niagara, Rochester, Syracuse and Rome, forming a network over northern New York, and the lines of the Boston & Albany connecting Albany and Chatham with North Adams, Springfield, Winchendon and Boston, Massachusetts.

The main lines operated are almost entirely confined to New York State, except the Boston & Albany line. The population of this State in 1890 was approximately 6,000,000; in 1900 it had increased to over 7,250,000, and in the Census of 1910 the population was reported to be 9,110,000.

CAPITALIZATION

With 2,626 of its 3,790 miles under operation, those of leased properties, during the past fiscal year, the New York Central paid as rentals, mainly in the form of interest and dividends on guaranteed stocks and bonds, \$10,036,832 as compared with \$9,162,019, the interest on its own funded obligations. Capitalizing this rental charge at 5%, over \$200,000,000 is thereby added to the company's nominal capitalization. Following are the capital figures of the New York Central as of December 31, 1911:

Capital stock	\$222,729,300
Funded debt	299,870,608
Nominal capital	<u>\$522,599,908</u>
Rentals capitalized at 5%	200,736,640
Gross capitalization	<u>\$723,336,548</u>
Securities owned	138,254,500
Net capitalization	<u>\$585,082,048</u>
Net capital per mile operated	\$154,374
Average miles operated	3,790.23
Net income to net capital	7.8%
Fixed charges to net income	66.7%
Margin of safety	33.3%

The amount of capital stock outstanding per mile of road owned (805) was \$276,514. The amount of bonds outstanding per mile of road owned, excluding the Lake Shore and Michigan Central Collaterals, and the Spuyten Duyvil & Port Morris First Mortgage Bonds, was \$225,845.

Since 1900 there have been various increases in the company's capital stock. In April, 1900, \$15,000,000 of stock was issued to stockholders at par to provide for new equipment. In 1902 the authorized stock was increased from \$115,000,000 to \$150,000,000, and \$16,912,900 of stock was issued to stockholders at \$125 per share, the proceeds to be used for improvements. The stockholders were given an opportunity to subscribe for \$16,947,800 stock at par in March, 1906. One month later the authorized amount of stock was increased to \$250,000,000, and \$28,984,900 additional stock was issued to be used for improvements and betterments to the New York Terminal. The last increase of importance was in January, 1910, when \$44,097,300 stock was issued at par to stockholders of record, one half of the proceeds of the sale of which was used to refund maturing notes, and the other half for extensions and improvements.

The increase in the company's nominal capitalization since 1900 can best be shown by the following table. It will be seen that whereas the company's capitalization has increased 73%, gross earnings, on the other hand, have increased over 90%.

Year	Capital stock	Funded debt	Total capital	Gross earnings
1900	\$115,000,000	\$185,758,021	\$300,758,021	\$54,562,952
1911	222,729,300	299,870,608	<u>522,599,908</u>	103,954,862
Increase			\$221,841,887	\$49,391,910
Per cent increase			73%	90%

The company's net capital per mile of road operated was \$154,374, as compared with \$123,072 of the Pennsylvania, and \$153,512 of the Lackawanna. Upon its net capital, the New York Central earned 7.8% during the past fiscal year (1911) as compared with 12.9% earned by the Pennsylvania

and 15.4% by the Lackawanna. It would seem, therefore, that the Central was rather more highly capitalized than the other roads named, but it operates through the densest territory in the entire country and has large equities in its subsidiaries.

Fixed charges consumed 66.7% of the company's total net income. The total net income of the New York Central could decline 33.3% before its interest, rentals and taxes would be impaired. This margin of safety for New York Central issues, however, depends largely upon the productivity, in the form of interest and dividends, of the stocks and bonds which the company owns. Were the New York Central dependent upon its net operating earnings alone to meet its fixed charges, undoubtedly its credit would be much lower than it is. In point of fact, during 1911, the company could not have shown a surplus over charges without the aid of its "other income."

The New York Central's margin of safety of 33% compares with the Pennsylvania's margin of 62% and that of the Lackawanna, 61%.

CHARACTER OF TRAFFIC

But 58% of the company's business is freight. This is so generally well distributed that it is doubtful if a depression in any one industry could seriously affect its traffic or resulting earnings. The following table shows that, of its freight, the largest single items are the products of mines, 46%, while manufactures and miscellaneous commodities represent about 30% of the company's freight business, the latter returning a higher rate:

Products of	1911	1910	1909	1908	1907
Agriculture	12.89%	11.74%	12.07%	13.84%	12.73%
Animals	4.81	4.49	4.92	5.90	4.81
Mines	46.31	47.08	46.54	46.55	46.41
Forests	6.24	6.43	6.57	6.45	6.47
Manufactures	27.41	27.89	28.16	22.78	21.87
Miscellaneous	2.34	2.39	1.74	4.48	7.71
Total	100.00%	100.00%	100.00%	100.00%	100.00%

The number of tons of revenue freight moved in 1907 was 47,422,174, in 1908 but 39,105,955, in 1909 44,171,956, in 1910 47,066,839, and during the fiscal year of 1911 revenue freight carried amounted to 48,250,535 tons, an increase of 1,183,696 tons over 1910, and 828,361 tons over 1907, which had the highest previous record as to tonnage.

Following are some of the more salient traffic statistics of the New York Central for the past five years:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	2,475,535	419	\$59,406,446	\$.0062
1908	2,059,531	384	51,200,547	.0064
1909	2,291,148	404	54,449,281	.0063
1910	2,460,620	417	58,411,234	.0063
1911	2,558,896	430	61,133,310	.0063

Freight earnings in 1908 declined over \$8,000,000, due to a decreased tonnage in nearly all the classified commodities, the greatest reduction being in grain and bituminous coal. The latter was due to the suspension of labor in the Morris Run District during eight months of the year. The average rate per ton per mile showed a slight improvement, due largely to the fact that the loss in tonnage of merchandise and other freight of the higher classes was not proportionately as great as

in the tonnage of commodities of lower grade. Since 1908 substantial increases in freight earnings have been reported.

During 1911 freight earnings reached the highest point in the company's history, being over \$1,700,000 greater than the previous high record of 1907.

Passenger traffic is heavy and yields over 30% of gross income. It will be noted in the following table that, with the exception of 1908, the company's passenger density and earnings have shown satisfactory increases. The decline in passenger density in 1908 was due primarily to the fact that the immigrant business was practically suspended during that year. This caused a decline in the average number of passengers per train, and an increase in the average rate owing to the reduction of this class of transportation.

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	481,051	70	\$29,837,859	\$.0172
1908	437,713	67	27,824,491	.0176
1909	474,773	66	29,001,911	.0175
1910	506,301	66	30,992,856	.0175
1911	513,532	68	31,759,238	.0177

EARNINGS

The New York Central's gross and net earnings for the past five years are as follows:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907	3,782	\$98,369,059	\$26,009	\$22,565,725	\$5,967	77.06%
1908	3,781	88,849,367	23,498	23,430,282	6,197	73.63
1909	3,782	93,171,860	24,637	28,578,034	7,559	69.33
1910	3,785	99,908,478	26,396	25,829,391	6,821	74.15
1911	3,790	103,954,862	27,427	29,482,284	7,778	71.63

The decline in earnings in 1908 has been referred to above. Together with this decline in gross revenues came a rigid curtailment of operating expenses, especially in the costs of conducting transportation, which were cut over \$7,000,000. This enabled the company to report a slightly higher net than in 1907, and reduced the operating ratio from over 77% to 73.63%. A further reduction of transportation costs in 1909, together with a substantial increase in gross revenue, brought about a still lower operating ratio, and the company reported a new record for net earnings.

During the fiscal year of 1911 the New York Central's gross revenue passed the \$100,000,000 mark, while net earnings were nearly \$29,500,000, both being high records for the company. The gross earnings per mile and the operating ratios of the New York Central, the Pennsylvania, and the Lackawanna, for 1911, are as follows:

Property	Gross earnings per mile	Operating ratio	Maintenance to gross	Transportation to gross
New York Central	\$27,427	71.6%	29.4%	42.2%
Pennsylvania	39,195	71.9	31.1	40.8
Lackawanna	44,890	61.0	27.1	33.9

The earnings of the New York Central System, including the New York Central proper, the Mohawk Valley Company, the New York State Railways, the Rutland Railroad, the Lake Shore & Michigan Southern Railway and its controlled companies, the Michigan Central Railroad, and

the other principal controlled companies in the system, have been compiled from their income sheets for the fiscal year ending December 31, 1911, as follows:

Gross earnings	\$331,690,800
Operating expenses (including taxes)	248,219,700
Net earnings	\$83,471,100
Other income	34,973,000
Total net income	\$118,444,100
Charges	\$67,536,319
Dividends	37,342,081
Surplus for year after all deductions	\$13,565,700

MAINTENANCE

The New York Central & Hudson River Railroad Company has spent the following amounts for maintenance of way and equipment since 1907:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$12,462,046	\$14,823,630	\$27,285,676	\$7,214
1908	10,768,284	13,420,282	24,188,566	6,397
1909	11,494,023	15,421,648	26,915,671	7,116
1910	14,060,177	16,936,253	30,996,430	8,193
1911	13,723,709	16,911,146	30,634,855	8,083

During the past five years the company has spent from its income over \$140,000,000 for maintenance of way and equipment. This is an average of \$28,000,000 a year, or an average of \$7,400 per mile.

Following is a comparison of the traffic density of the Central, Pennsylvania and Lackawanna, together with the total amounts spent for maintenance per mile. The figures are altogether favorable to the New York Central.

Five-year average	Traffic density	Maintenance per mile
New York Central	2,851,820	\$7,400
Pennsylvania	5,316,000	12,355
Lackawanna	4,848,890	10,950

ADDITIONS AND BETTERMENTS

Based on the annual reports of the company, the following table has been prepared showing the amounts which have been spent for additions and betterments by the company and charged to Cost of Property and Equipment Accounts:

Year	Additions and betterments		Total
	Main line	Leased roads	
1907	\$6,431,915	\$9,014,975	\$15,446,890
1908	5,603,731	7,644,337	13,248,068
1909	6,216,748	2,389,382	8,606,130
1910	26,259,284*	8,492,007	34,751,291
1911	6,568,419	7,804,014	14,372,433
Total			\$86,424,812
Special Improvement Fund			2,351,231
Grand total			\$88,776,043

In accordance with the rulings of the Interstate Commerce Commission, the company itemizes on its balance sheet the amounts of income spent since June 30, 1907, for additions to property. On December 31, 1911, the company had spent thus \$4,857,367.

NEW YORK TERMINAL

Any analysis of the New York Central would be incomplete without a consideration of the large sums which the company has spent upon its New York Terminal. On January 26, 1912, the main portions of the "Grand Central Terminal," as it is known, were opened to the public. This station with its approaches has taken several years to complete and has already cost approximately \$90,000,000. This expense has been carried along with no income return.

The new terminal as planned will be the most costly railroad station in the world. It is as convenient as it possibly can be made and is centrally located. It has been equipped to handle traffic by electric power through a moderate terminal plant of ample capacity. Built on the continental plan with loading and unloading platforms on different levels and with the construction of loop tracks permitting the arrival and departure of trains without crossing each other's paths, the terminal will have a maximum daily capacity of 250,000 passengers and over 1,400 trains.

DIVIDENDS

The road, since its existence as a consolidated property, has never defaulted a bond, nor passed a year without a dividend. This is indeed a most satisfactory record, covering a period, as it does, in which most severe business depressions have prevailed.

The New York Central's record since 1869 is as follows:

Year	Rate	Year	Rate	Year	Rate	Year	Rate
1869-84 . . .	8%	1891 . . .	4½%	1900 . . .	4¾%	1908 . . .	5%
1885 . . .	5	1892-4 . . .	5	1901-5 . . .	5	1909 . . .	5
1886-89 . . .	4	1895 . . .	4½	1906 . . .	5¼	1910 . . .	6
1890 . . .	3	1896-99 . . .	4	1907 . . .	6	1911-12 . . .	5

* Including the proceeds of the Equipment Trust Certificates of 1910.

The company's Profit and Loss (free surplus) as reported on its balance sheet of December 31, 1911, was \$13,448,668, and, together with the appropriated surplus of \$4,970,036, is equivalent to 8% on the company's outstanding capital stock.

STATISTICS

Following are the capitalization, earnings, and traffic statistics of the New York Central & Hudson River Railroad, based on the average miles operated, for the year 1900, and for the years 1905 to 1911 inclusive:

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals at 5%	Gross capital	Owued by company	Net capital	Average miles operated	Extra main track
1900	\$40,823	\$65,942	\$49,266	\$156,031	\$45,273	\$110,758	2,817	1,551
1905	35,042	61,093	50,399	146,524	38,041	108,483	3,774	2,011
1906	47,088	60,931	50,217	158,236	40,806	117,430	3,784	2,037
1907	47,232	67,474	50,936	165,642	42,204	123,438	3,782	2,152
1908	47,244	71,030	51,351	169,625	40,697	128,928	3,781	2,201
1909	47,232	72,730	52,583	172,545	35,748	136,797	3,782	2,255
1910	58,845	71,624	53,148	183,617	37,038	146,579	3,785	2,311
1911	58,767	79,121	52,964	190,852	36,478	154,374	3,790	2,335

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$19,368	\$2,552	\$1,987	\$7,548	\$7,281	\$1,674	\$8,955	\$6,016	\$2,939
1905	22,812	2,645	3,507	9,736	6,924	1,728	8,652	5,893	2,758
1906	24,336	2,832	3,850	10,482	7,172	2,035	9,207	5,964	3,242
1907	26,009	3,295	3,919	12,828	5,967	3,034	9,001	6,070	2,931
1908	23,498	2,848	3,549	10,904	6,197	2,742	8,939	6,539	2,400
1909	24,637	3,039	4,077	9,962	7,559	3,066	10,625	7,001	3,624
1910	26,396	3,714	4,479	11,382	6,821	4,080	10,901	7,130	3,771
1911	27,427	3,621	4,462	11,566	7,778	4,367	12,147	8,109	4,030

Fiscal year	Dividends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$1,752	...	\$1,187	62.41%	23.37%	39.17%	31.17%	12.47%	8.17%	7.17%
1905	1,752	\$406	601	60.65	26.9	42.7	25.8	15.6	8.0	7.8
1906	2,070	346	827	70.53	27.4	43.1	24.5	15.4	7.8	6.9
1907	2,833	...	98	77.06	27.8	49.3	23.3	15.6	7.3	6.2
1908	2,362	...	38	73.63	27.2	46.4	27.8	13.7	6.9	5.1
1909	2,362	...	1,262	69.33	28.8	40.5	28.4	14.1	7.7	7.7
1910	3,531	240	...	74.15	31.0	43.1	27.0	14.2	7.4	6.4
1911	2,938	...	1,100	71.63	29.4	42.2	29.6	14.3	7.8	6.8

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$1.61	\$2.13	\$1.66	\$6.29	\$6.60	\$0.182	\$0.0656	2,171,662	360	63%	60,707
1905	1.93	.924	.297	.825	.59	.0173	.0061	2,231,435	399	59	70,671
1906	2.03	.236	.321	.876	.60	.0171	.0064	2,226,839	403	60	74,533
1907	2.06	.262	.310	1.019	.47	.0172	.0062	2,475,535	419	60	72,870
1908	1.99	.242	.301	.926	.52	.0176	.0064	2,059,531	384	57	68,674
1909	2.00	.246	.331	.808	.61	.0174	.0063	2,291,148	404	59	67,893
1910	2.04	.287	.346	.881	.53	.0175	.0063	2,460,620	417	59	70,996
1911	2.13	.281	.346	.897	.60	.0176	.0063	2,558,896	430	58	67,830

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the New York Central & Hudson River Railroad System, together with the bases on which they have sold during the decade ending December 31, 1912:

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Mortgage Gold 3½s

Dated June 1, 1897

Maturing July 1, 1997

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$100,000,000

Outstanding \$94,000,000

Per mile . . . 116,770

Provisions of issue: Of the \$100,000,000 authorized, \$94,000,000 are outstanding as above, and the balance, \$11,000,000, is reserved for extensions, terminals, stocks or bonds of other companies, etc., at \$1,000,000 per year.

Security: The above bonds are secured by a direct mortgage on 805.49 miles of the company's road, together with all the branches, extensions, terminals, rolling stock and other property and franchises now owned or hereafter acquired, but not including any stocks or bonds except those acquired with the proceeds hereof, pertaining to the above mileage. They are secured by a first collateral lien on three-quarters of the capital stock of the Hudson River Bridge Company, which owns two bridges in Albany, also leasehold interests in the Troy & Greenbush Railroad, Spuyten Duyvil & Port Morris Railroad, West Shore Railroad, Rome, Watertown & Ogdensburg Railway, New York & Harlem Railroad, Mohawk & Malone Railway, Carthage & Adirondack Railway, New York & Putnam Railroad, Gouverneur & Oswegatchie Railroad and the Beech Creek Railroad.

Under the indenture the company agrees not to extend any of the existing bonds at maturity, and orders the trustee to release upon request, without restriction and limitation, (1) any real estate not necessary for the operation of the road whose value shall not exceed \$1,000,000, (2) any real estate for which bonds secured hereby of any equal value, shall have been surrendered and cancelled, (3) certain other lots in New York City.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 3.20 to 3.35 basis

1903	3.35	3.70
1904	3.45	3.62
1905	3.45	3.55
1906	3.55	3.80
1907	3.70	4.15
1908	3.65	4.00
1909	3.70	3.95
1910	3.80	4.00
1911	3.90	4.10
1912	3.95	4.15

These bonds are considered a legal investment for savings banks in New England.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Lake Shore Collateral Trust 3½s

Dated February 4, 1898

Maturing February 1, 1998

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$100,000,000

Outstanding \$90,578,400

Provisions of issue: The unissued bonds may be issued at the rate of \$200 in bonds for each additional \$100 of Lake Shore & Michigan Southern Railway Company stock deposited hereunder.

Security: The above bonds are a direct obligation of the New York Central & Hudson River Railroad Company, and are secured by a deposit with the trustee of \$45,289,200 capital stock of the Lake Shore & Michigan Southern Railway Company at the rate of \$500 in stock for every \$1,000 bond.

In the indenture the Railroad Company will not hereafter make any mortgage upon its railroad without also thereby including therein, in favor of every bond secured by this indenture, a lien prior and superior to the lien in favor of any other bond or debt secured by any such mortgage, except that any such mortgage may secure and provide for other bonds for the sum of not exceeding \$22,000,000 equally with all of the bonds hereby secured.

All dividends on the deposited stock shall be paid to the trustee. The Railroad Company, unless in default, shall have the right to vote upon all the shares pledged with the trustee. Under no conditions shall the company or the trustee permit any increase in the capital stock of the Lake Shore & Michigan Southern Railway Company.

The pledge of the above shares shall not prevent the consolidation or merger of the Lake Shore & Michigan Southern Railway Company with, or the sale, conveyance, or transfer of its property to the Railroad Company upon such terms as shall be approved by the holders of 75% in amount of the bonds secured by this indenture.

Trustee: The Guaranty Trust Company, New York.

These bonds sold in 1902 on a 3.57 to 3.80 basis

1903	3.70	4.05
1904	3.75	4.10
1905	3.75	3.95
1906	3.75	4.05
1907	3.95	4.80
1908	4.10	4.70
1909	4.10	4.50
1910	4.25	4.40
1911	4.35	4.70
1912	4.15	4.50

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Michigan Central Collateral Trust 3½s

Dated April 13, 1898

Maturing February 1, 1998

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$21,550,000

Outstanding \$19,336,445

Provisions of issue: The unissued bonds may be issued at the rate of \$115 in bonds for each additional \$100 of Michigan Central Railroad Company stock deposited hereunder.

Security: The above bonds are a direct obligation of the New York Central & Hudson River Railroad Company, and are secured by deposit with the trustee of \$16,819,250 of the capital stock of the Michigan Central Railroad Company, at the rate of \$100 in Michigan Central stock for each \$115 of these bonds.

For every 200 shares of the par value of \$100 deposited, the trustee shall issue \$23,000 of bonds.

The indenture of this mortgage makes the same provisions as the indenture of the Lake Shore Collateral 3½s of 1898, substituting for the \$22,000,000 additional bonds mentioned \$100,000,000 in each case.

Trustee: The Guaranty Trust Company, New York.

These bonds sold in 1902 on a 3.57 to 3.80 basis

1903	3.75	4.10
1904	3.85	4.10
1905	3.85	3.95
1906	3.85	4.05
1907	4.05	4.95
1908	4.05	4.70
1909	4.15	4.50
1910	4.30	4.50
1911	4.40	4.70
1912	4.25	4.50

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Spuyten Duyvil & Port Morris Railroad First Mortgage 3½s

Dated June 1, 1909

Maturing June 1, 1959

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000, and multiples of \$50,000.

Coupon and registered bonds are interchangeable.

Authorized \$20,000,000

Outstanding \$2,500,000

Provisions of issue: Of the \$20,000,000 authorized, \$2,500,000 are outstanding, as above, and the balance, \$17,500,000, is reserved for extensions, improvements, equipment, etc., under the direction of the Public Service Commission.

Security: These bonds are secured by a first mortgage on the railroad of the Spuyten Duyvil & Port Morris Railroad Company, extending from its point of connection with the New York Central & Hudson River Railroad in the Borough of Bronx to its point of connection with the New York & Harlem River 149th Street, in the same Borough, together with all property now owned or which may hereafter be acquired for use in connection with this railroad, and all income and revenue, secured by these bonds.

Trustee: Central Trust Company, New York.

The Spuyten Duyvil & Port Morris Railroad Company was chartered March 4, 1869, and opened for traffic April 7, 1872. In May, 1909, the company leased its property and franchises for the term of its corporate existence to the New York Central & Hudson River Railroad Company, the lessee agreeing to pay as rental the interest on all the bonds and obligations of the lessor and 8% on its capital stock.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Thirty-Year Debenture 4s

Dated May 12, 1904

Maturing May 1, 1934

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Coupon and registered bonds interchangeable.

Authorized \$50,000,000

Outstanding \$48,000,000

Security: These bonds are a direct obligation of the New York Central & Hudson River Railroad Company, but are not secured by a mortgage.

In the indenture the company agrees to make no new mortgage upon its railroad, while any of these debentures are outstanding, without thereby including those outstanding.

These bonds were issued to provide for improvements, additions and acquisitions, including the purchase of \$5,000,000 preferred stock of the Geneva, Corning & Southern Railway.

Trustee: United States Trust Company, New York.

These bonds sold in 1905 on a 3.85 to 4.00 basis

1906	3.87	4.12
1907	4.05	4.95
1908	4.25	4.60
1909	4.22	4.40
1910	4.30	4.55
1911	4.37	4.55
1912	4.27	4.70

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Three-Year 4½% Notes

Dated March 1, 1911

Maturing March 1, 1914

Interest payable March 1 and September 1 at New York, Paris and London.

Coupon notes of \$1,000 and \$10,000, registerable as to principal or fully registerable.

Registered notes of \$5,000, \$10,000, \$50,000 and \$100,000.

Coupon and registered notes interchangeable.

(The notes are also issued in Pounds Sterling and French Francs.)

Authorized \$30,000,000

Outstanding \$30,000,000

Security: The above notes are a direct obligation of the New York Central & Hudson River Railroad Company, but are not secured by a mortgage.

The proceeds of this issue were used to provide for the requirements of the road for the fiscal year of 1911, including cost of construction work at the Grand Central Station and in the electric zone, providing extra tracks on the Hudson Division and new terminal facilities at Utica and Rochester, N. Y.

Registrar: Guaranty Trust Company, New York.

These notes were offered in 1911 at 99¾ and interest. In July, 1912, a 4.50 basis was bid.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Three-Year 4½% Notes

Dated May 1, 1912

Maturing May 1, 1915

Interest payable May 1 and November 1 at New York and in London.

Principal and interest payable in London at the rate of \$4.86½ to the £.
Coupon notes of \$1,000.

Authorized \$30,000,000

Outstanding \$20,000,000

Security: The above notes are a direct obligation of the New York Central & Hudson River Railroad Company, but are not secured by a mortgage.

The above issue was authorized by the Public Service Commission late in 1911 to provide for the acquisition of the stock of the New York & Harlem Railroad, the Rome, Watertown & Ogdensburg Railroad, and the Utica & Black River Railroad Companies.

Registrar: Guaranty Trust Company, New York.

These notes were offered in May, 1912, at par.

BEECH CREEK RAILROAD

First Mortgage 4s

Dated July 1, 1886

Maturing July 1, 1936

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000. Registered bonds of \$1,000.
Registered bonds exchangeable for coupon bonds.

Authorized \$5,000,000

Outstanding \$5,000,000
Per mile . . . 30,300

Security: The above bonds are secured by a first mortgage on the Beech Creek Railroad Company's lines from Jersey Shore to Mahaffey Junction, Pa., 112.34 miles, and on 52.35 miles of branches, totalling 164.69 miles; also on lands, buildings, rolling stock, franchises and incomes.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Knickerbocker Trust Company, New York.

The Beech Creek Railroad was chartered June 29, 1886, under the laws of Pennsylvania as a reorganization of the Beech Creek, Clearfield & Southwestern Railroad Company. It was leased to the New York Central & Hudson River Railroad Company for 999 years from October 1, 1890, at a rental equivalent to the interest on the company's bonds, dividends of 4% upon the capital stock,

taxes and organization costs of not greater than \$6,000 per annum. The Beech Creek Railroad was operated independently, however, until July 1, 1899.

These bonds sold in 1903 on a 3.60 to 3.65 basis

1904	3.57	3.77
1905	3.60	3.70
1906	3.75	3.88
1907	3.87	4.10
1908	4.05	
1909	4.00	
1910	4.10	4.20
1911	4.10	
1912	4.05	4.10

These bonds are considered a legal investment for savings banks in New England.

BEECH CREEK RAILROAD

Second Mortgage 5s

Dated July 1, 1892

Maturing July 1, 1936

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 6,000

Security: The above bonds are secured by a second mortgage on the company's lines from Jersey Shore to Mahaffey Junction, Pa., 112.34 miles, and 52.35 miles of branches, covered by the First Mortgage 4s of 1936.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company, by endorsement.

Trustee: Union Trust Company, New York.

These bonds were quoted in 1909 on a 4.55 basis (bid)

1910	4.62
1911	4.60
1912	4.55

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

BEECH CREEK EXTENSION RAILROAD

First Mortgage 3½s

Dated May 1, 1901

Maturing April 1, 1951

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$4,500,000

Outstanding \$3,500,000

Per mile . . . 60,300

By the terms of its lease to the New York Central & Hudson River Railroad Company, it is agreed that the issue of these bonds shall be limited to \$3,500,000.

Security: The above bonds are a first mortgage on the company's line from Keating to Clearfield, Pa., and branches, 58.31 miles, together with all lands and rights of way, buildings, rolling stock, franchises, rents and profits of the same, both present and future.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Guaranty Trust Company, New York.

The Beech Creek Extension Railroad Company was chartered March 31, 1905, under the laws of Pennsylvania, as a consolidation of a road of the same name, and the Curwensville & Bower Railroad, the Pittsburgh & Eastern Railroad and the Clearfield & Southern Railroad Companies. It was leased to the New York Central & Hudson River Railroad Company for 999 years from June 1, 1905, the lessee guaranteeing by endorsement both principal and interest on the company's bonds. The New York Central & Hudson River Railroad Company owns the entire capital stock of the Beech Creek Extension Railroad Company.

These bonds were quoted in 1909 on a 4.30 basis (bid)

1910 4.20

1911 4.30

1912 4.35

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

BEECH CREEK EXTENSION RAILROAD

Consolidated Mortgage 4s

Dated May 1, 1905

Maturing April 1, 1955

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$20,000,000

Outstanding \$3,964,000

Per mile . . . 31,200

Provisions of issue: Of the total amount authorized, \$3,964,000 are outstanding, as above, and the balance, \$16,036,000, is reserved for extensions and construction and to retire \$3,500,000 First Mortgage 3½s of 1951.

Security: The above bonds are secured by a direct mortgage on 127.46 miles of road together with all lands, buildings, appurtenances, rolling stock and franchises, now owned or hereafter acquired, and all incomes. They are secured by a first mortgage on 69.15 miles of road, and by a second mortgage on 58.31 miles of road covered by the first lien of the First Mortgage 3½s of 1951.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Guaranty Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

CARTHAGE & ADIRONDACK RAILWAY

First Mortgage 4s

Dated December 1, 1892

Maturing December 1, 1981

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Coupons bond of \$1,000, registerable as to principal.

Authorized \$1,600,000

Outstanding \$1,100,000

Per mile . . . 23,900

Security: The above bonds are secured by a first mortgage on the company's line from Carthage to Newton Falls, N. Y., 45.86 miles, together with all lands, buildings, equipment and franchises except the franchise to exist as a corporation.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Union Trust Company, New York.

The Carthage & Adirondack Railway Company was chartered March 28, 1883, under the laws of New York. Its line was opened for traffic throughout August 22, 1889. Its property was leased to the New York Central & Hudson River Railroad Company January 9, 1893, for the term of the lessor's existence, the lessee agreeing to pay as rental interest on the above bonds, all taxes and assessments, maintenance expenses and costs of organization. The Carthage & Adirondack Railway Company's entire capital stock is owned by the New York Central & Hudson River Railroad Company.

These bonds sold in 1909 on a 4.10 basis	
1910	4.50 (bid)
1911	4.50 (bid)
December, 1912	4.60

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

PINE CREEK RAILWAY

First Mortgage Currency 6s

Dated December 9, 1882

Maturing December 1, 1932

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Registered bonds of \$1,000.

Authorized \$3,500,000

Outstanding \$3,500,000

Per mile . . . 46,000

Security: The above bonds are secured by a first mortgage on the company's main and branch lines, totalling 75.91 miles, including the line from Stokesdale to Newberry Junction, Pa., together with all buildings, equipment and corporate franchises.

These bonds were ASSUMED by the Geneva, Corning & Southern Railway Company, and are GUARANTEED as to PRINCIPAL and INTEREST, jointly and severally by the Philadelphia & Reading Railroad Company and the New York Central & Hudson River Railroad Company.

An equal amount of New York Central & Hudson River Railroad Company, Geneva, Corning & Southern Railway Refunding 4s of 1959 have been reserved to retire this issue at maturity.

The Pine Creek Railway was organized June 6, 1884, as the successor to the Jersey Shore, Pine Creek & Buffalo Railway Company. It was the latter that executed the above mortgage. From May 1, 1899, it was leased for 999 years to the New York Central & Hudson River Railroad Company at an annual rental of \$35,000 and interest on its outstanding bonds.

On April 1, 1909, the Pine Creek Railway consolidated with the Syracuse, Geneva & Corning Railway and the Fall Brook Railway Companies, forming the Geneva, Corning & Southern Railway Company, which assumed the above bonds. The latter road was leased from April 1, 1909, for the term of its corporate existence to the New York Central & Hudson River Railroad Company at a rental sufficient to cover operating expenses, interest on all outstanding obligations, taxes, and assessments, 4% yearly dividends on preferred stock, 3½% on common stock and dividends on any second preferred stock which may be issued.

These bonds sold in 1907 on a 5.50 basis

	1909	3.90
	1910	4.55 (bid)
	1911	4.50 (bid)
	December, 1912	4.55 (bid)

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

GOUVERNEUR & OSWEGATCHIE RAILROAD

First Mortgage 5s

Dated June 1, 1892

Maturing June 1, 1942

Interest payable June 1 and December 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$300,000

Outstanding \$300,000

Per mile . . . 23,000

Security: The above bonds are secured by a first mortgage on the company's road from Gouverneur to Edwards, N. Y., and branches, totalling 13.07 miles, together with lands, buildings, leases, equipment and all franchises.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Union Trust Company, New York.

The Gouverneur & Oswegatchie Railroad Company was chartered April 13, 1892, under the laws of New York. Its line was open for traffic July 18, 1893. Under an agreement dated July 8, 1892, the New York Central & Hudson River Railroad Company, which owns all the capital stock of the Gouverneur & Oswegatchie Railroad Company, took over the operation of the latter, guaranteeing its bonds as to principal and interest.

These bonds were quoted in 1909 on a 4.50 basis (bid)

	1910	4.55
	1911	4.50
	December, 1912	4.50

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

MOHAWK & MALONE RAILWAY

First Mortgage 4s

Dated July 1, 1892

Maturing September 1, 1991

Interest payable March 1 and September 1 at the Knickerbocker Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding \$2,500,000

Per mile . . . 13,700

Security: The above bonds are secured by a first mortgage on the company's line from Herkimer to Malone Junction, N. Y., and branches, totalling 182.18 miles, together with all lands, buildings, equipment, franchises and incomes.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement under terms of lease.

Equity: The above bonds are prior in lien to \$3,900,000 Consolidated Mortgage 3½s of 2002, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Knickerbocker Trust Company, New York.

The Mohawk & Malone Railway Company was chartered June 23, 1892, under the laws of the State of New York as a consolidation of the Herkimer, Newport & Poland Railway, the Herkimer, Newport & Poland Extension Railway, and the St. Lawrence & Adirondack Railroad Companies. The road was completed throughout in November, 1892, and on May 1, 1893, was leased to the New York Central & Hudson River Railroad Company.

A second lease was arranged, dated April 17, 1902, to run during the corporate existence of the company at an annual rental equivalent to the interest on the company's bonds, a dividend of 4% on the company's capital stock and organization expenses.

These bonds sold in 1905 on a 3.85 basis

1906	3.87
1907	4.10
1908	4.10
1909	4.00
1910	4.00 to 4.05
1911	4.05
1912	4.05

These bonds are considered a legal investment for savings banks in New England.

MOHAWK & MALONE RAILWAY

Consolidated Mortgage 3½s

Dated March 1, 1902

Maturing March 1, 2002

Interest payable March 1 and September 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$10,000,000

Outstanding \$3,900,000

Per mile . . . 21,400

Provisions of issue: Of the total amount authorized, \$3,900,000 are outstanding as above, \$2,500,000 have been reserved to retire the Mohawk & Malone First 4s of 1991, and the balance, \$3,600,000, has been reserved to complete, furnish and operate the railroad at the company's request, with restrictions.

Security: The above bonds are secured by a second mortgage on the company's road from Herkimer to Malone, N. Y., including branches, 182.18 miles, covered by the first lien of the First 4s of 1991.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement under the terms of the lease.

Trustee: Guaranty Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire, Connecticut and Rhode Island.

NEW YORK & HARLEM RAILROAD

First Mortgage 3½s

Dated June 1, 1897

Maturing May 1, 2000

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Authorized \$12,000,000

Outstanding \$12,000,000

Per mile . . . 88,200

Security: The above bonds are secured by a first mortgage on the company's road from the Grand Central Station, New York, to Chatham, N. Y., including branches, totalling 136.48 miles, also on the Grand Central Station, and the Terminal at Chatham, N. Y., including realty north of the Harlem River, equipment, franchises and all incomes.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Trustee: Guaranty Trust Company, New York.

The New York & Harlem Railroad was chartered April 25, 1831, under the laws of New York. Its corporate existence was extended for 500 years from April 16, 1869. As a steam road it was completed throughout in 1852 and was leased April 1, 1873, for 401 years to the New York Central & Hudson River Railroad Company at a rental equivalent to 8% on the company's stock (increased to 10% from 1900) and interest on the company's bonds.

These bonds sold in 1903 on a 3.50 basis	
1905	3.30
1906	3.45
1908	3.65
1909	3.85 (bid)
1910	3.77
1911	3.90
1912	3.95 to 4.00

These bonds are considered a legal investment for savings banks in New England except in Vermont.

NEW YORK & NORTHERN RAILWAY

First Mortgage 5s

Dated October 1, 1887

Maturing October 1, 1927

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$1,200,000

Outstanding \$1,200,000

Per mile . . . 21,000

Security: These bonds are a direct obligation of the New York & Putnam Railroad Company. They are secured by a first mortgage on 56.83 miles of railroad, including the 53.73 miles from a junction with the Manhattan Railway Company at 155th Street, New York, to Brewster, N. Y., a bridge over the Harlem River and the branch from Van Cortlandt Station to Yonkers, N. Y.; also on real estate, building, piers, franchises, rolling stock, now owned or hereafter acquired, and all incomes.

Equity: This issue is prior in lien to the New York & Putnam First Consolidated 4s of 1903, a sufficient number of which have been reserved to provide for the retirement of this issue.

Trustee: Central Trust Company, New York.

The New York & Northern Railway was organized February 18, 1878, as the New York City & Northern Railroad Company. After two receiverships in 1882 and 1893, the company was re-organized January 12, 1894, as the New York & Putnam Railroad Company. The latter was leased on January 30, 1894, to the New York Central & Hudson River Railroad Company for the term of its corporate existence at a rental equal to the interest on its bonds.

These bonds sold in 1902 on a 3.70 to 3.80 basis

1903	4.00	
1904	3.95	4.12
1905	3.70	3.80
1907	4.17	4.22
1908	4.40	
1909	4.38	
1910	4.30	(bid)
1911	4.45	(bid)
December, 1912	4.45	(bid)

These bonds are considered a legal investment for savings banks in Maine.

NEW YORK & PUTNAM RAILROAD

First Consolidated Mortgage 4s

Dated January 15, 1894

Maturing October 1, 1993

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$6,200,000

Outstanding \$4,025,000
Per mile . . . 70,600

Provisions of issue: In addition to the \$4,025,000 bonds outstanding as above, \$975,000 are reserved for improvements, and the balance, \$1,200,000, is reserved to retire the New York & Northern 5s of 1927.

Security: These bonds are secured by a second mortgage on the 56.83 miles of main line, branch and bridge, which are covered by the first lien of the First 5s of 1927.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Union Trust Company, New York.

The New York & Putnam Railroad Company was incorporated under the laws of New York in 1894 as successor to the New York & Northern Railroad. The property was leased on January 13, 1894, to the New York Central & Hudson River during its corporate existence, the lessee to pay as annual rental interest at 4% on bonds secured by the above mortgage, operating, organization and maintenance expenses, taxes and assessments. The entire capital stock of the New York & Putnam Railroad Company is owned by the New York Central & Hudson River Railroad Company.

These bonds sold in 1905 on a 3.72 to 3.875 basis

1906	3.85	4.00
1908	4.00	
1909	4.05	(bid)
1910	4.05	4.20
1911	4.10	
December, 1912	4.15	(bid)

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW JERSEY JUNCTION RAILROAD

First Mortgage Currency 4s

Dated June 30, 1886

Maturing February 1, 1986

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$1,000.

Authorized \$4,000,000

Outstanding \$1,700,000

Security: The above bonds are secured by a first mortgage on 4.78 miles of road, including the line from Weehawken to Jersey City and the Harsimus Branch; also on floating equipment, rolling stock, lands, water rights, structures, leases, franchises and income, subject to the right to abandon any part of the main line south of the connection with the Pennsylvania Railroad.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Guaranty Trust Company, New York.

The New Jersey Junction Railroad Company was organized in New Jersey on February 25, 1886, for the purpose of providing connections and facilities for interchange of traffic between the railway systems terminating at Jersey City, Hoboken and Weehawken. The property and future acquisitions were leased to the New York Central & Hudson River Railroad Company on June 30, 1886, for 100 years, the lessor guaranteeing payment of principal at maturity and interest upon all bonds. The entire capital stock of the New Jersey Junction Railroad Company is owned by the New York Central & Hudson River Railroad Company.

These bonds sold in 1902 on a 3.80 basis	
These bonds were quoted in	3.95 (bid)
1910	4.30
1911	4.20
December, 1912	4.15

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

WEST SHORE RAILROAD

First Mortgage Currency 4s

Dated December 5, 1885

Maturing January 1, 1961

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, fully registerable.

Registered bonds of \$500, \$1,000, \$10,000 and \$50,000.

Authorized \$50,000,000

Outstanding \$50,000,000

Per mile . . . 104,400

Security: These bonds are secured by a first mortgage on 479.11 miles of road, together with lands, water rights, tracks, bridges, piers, depots, elevators, rolling stock, floating equipment, etc. They are secured by first mortgage on the road from Weehawken, N. J., to Buffalo, N. Y., 423.67 miles, and from Syracuse to Earlville, N. Y., 42.72 miles.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Union Trust Company, New York.

The West Shore Railroad Company was chartered under the laws of New York on December 5, 1885, as successor to the New York, West Shore & Buffalo Railway Company. The property is leased to the New York Central & Hudson River Railroad for 475 years from January 1, 1886, with the privilege of a 500-year extension. The lessee pays as annual rental an amount equal to interest on bonded debt. The entire capital stock of the West Shore Railroad Company is owned by the New York Central & Hudson River Railroad.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ROME, WATERTOWN & OGDENSBURG RAILROAD

First Consolidated Mortgage 5s, 4s and 3½s

Dated July 1, 1874

Maturing July 1, 1922

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding 5s \$9,076,000

3½s 500,000

4s 419,000

Per mile . . . 24,100

Security: The above bonds are secured by a direct mortgage on 414.87 miles of road, equipment and future acquisitions. They are secured by a first mortgage on 377.5 miles of road, including the lines between Richland and Norwood, and Niagara Junction and Oswego, N. Y. They are further secured by a second mortgage on 37.38 miles of road subject to \$130,000 Nor-

wood & Montreal First 5s of 1916, \$175,000 Syracuse, Phoenix & Oswego First 6s of 1915, \$375,000 Rome, Watertown & Ogdensburg Terminal Railroad First 5s of 1918 and \$100,000 Oswego Railroad Bridge 6s of 1915.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad under the terms of its lease.

Extension: These bonds originally were payable July 1, 1904, but by an agreement with the holders this date was extended from November 4, 1891, to July 1, 1922, the rate of interest being reduced from 7%.

Trustee: Farmers' Loan & Trust Company, New York.

The Rome, Watertown & Ogdensburg Railroad Company was chartered in New York in July, 1861, as the consolidation of the Watertown & Rome Railroad and the Potsdam & Watertown Railroad Companies. As the result of consolidations of smaller lines, the company had developed by 1890 into a system of 643 miles, owned, leased and operated. On March 14, 1891, its entire property was taken over under lease in perpetuity by the New York Central & Hudson River Railroad Company, the lessee guaranteeing the rentals of the leased lines of the lessor, 5% on the company's outstanding capital stock, and assuming all the funded obligations outstanding.

On April 9, 1912, the Public Service Commission granted the application of the company to purchase the capital stock of the Rome, Watertown & Ogdensburg Company, together with the capital stock of the Utica & Black River Railroad Company, and to issue therefor \$16,429,000 4% 30-year debentures.

The First 5s of 1922 sold in 1902 on a 3.12 to 3.70 basis

1903	3.40	3.75
1904	3.50	3.80
1905	3.45	3.70
1906	3.50	4.00
1907	3.75	4.75
1908	3.87	4.15
1909	3.90	4.15
1910	3.95	4.25
1911	3.87	4.20
1912	4.05	4.25

The 3 $\frac{1}{8}$ s, 4s and 5s of 1922 are considered a legal investment for savings banks in New Hampshire, Massachusetts, Connecticut and Rhode Island.

NORWOOD & MONTREAL RAILROAD

First Mortgage 5s

Dated March 6, 1886

Maturing April 1, 1916

Interest payable April 1 and October 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$360,000

Outstanding \$130,000

Per mile . . . 10,000

Security: These bonds are secured by a first mortgage on the company's line from Norwood to the boundary line of New York, 13.0 miles, also upon all lands, buildings, equipment, franchises and incomes of the company.

The bonds were ASSUMED by the Rome, Watertown & Ogdensburg Railroad Company, and have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Equity: These bonds are prior in lien to the Rome, Watertown & Ogdensburg First Consolidated 3½s, 4s and 5s of 1922.

Trustee: New York Trust Company, New York.

The Norwood & Montreal Railroad Company was organized March 1, 1884, and its road (as above) was opened for traffic September 27, 1886. It was leased in that year to the Rome, Watertown & Ogdensburg Railroad Company, the rental being interest on its bonds. It was merged with the latter company in 1889, and became subject with it to the New York Central & Hudson River Railroad Company lease of March, 1891.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

OSWEGO RAILROAD BRIDGE COMPANY

First Mortgage 6s

Dated January 31, 1885

Maturing February 1, 1915

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$100,000

Outstanding \$100,000

Security: These bonds are secured by a first mortgage on the railroad bridge in the city of Oswego, together with all the real and personal property, incomes and franchises of the company.

These bonds have been ASSUMED by the Rome, Watertown & Ogdensburg Railroad Company, and have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Equity: The above bonds are prior in lien to the Rome, Watertown & Ogdensburg Railroad First Consolidated 3½s, 4s and 5s of 1922.

The Oswego Railroad Bridge Company was chartered in 1872 to construct the above-mentioned bridge. It was consolidated with the Rome, Watertown & Ogdensburg Railroad Company on April 15, 1885, and became subject with it to the New York Central & Hudson River Railroad Company's lease of 1891.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

SYRACUSE, PHOENIX & OSWEGO RAILROAD

First Mortgage 6s

Dated February 15, 1885

Maturing February 1, 1915

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$100 and \$1,000.

Authorized \$400,000

Outstanding \$175,000

Per mile . . . 10,300

Security: The above bonds are secured by a first mortgage on the company's line, extending from Woodward to Fulton, N. Y., 17.08 miles, together with lands, buildings, equipment, franchises and incomes, also an extension to Fulton belonging to the Fulton & Oswego Railroad Company.

These bonds were ASSUMED by the Rome, Watertown & Ogdensburg Railroad Company, and have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Equity: These bonds are prior in lien to the Rome, Watertown & Ogdensburg First Consolidated 3½s, 4s and 5s of 1922.

Trustee: Bankers Trust Company, New York.

The Syracuse, Phoenix & Oswego Railroad Company was chartered November 29, 1871, to construct a road from Woodward to Fulton and the Syracuse Northwestern Railroad Company was chartered September 19, 1874, to build from Woodward to Syracuse. The two were consolidated under the name of the former June 10, 1875. After a reorganization in 1885 the property of the former was leased to the Rome, Watertown & Ogdensburg Railroad Company for 450 years. In 1889 the company was consolidated with the latter and became subject with it to the New York Central & Hudson River Railroad Company's lease of 1891.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

ROME, WATERTOWN & OGDENSBURG TERMINAL RAILROAD

First Mortgage 5s

Dated March 12, 1888

Maturing May 1, 1918

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$375,000

Outstanding \$375,000

Per mile . . . 53,550

Security: The above bonds are secured by a first mortgage on the company's line from Rochester to Winsor Beach, N. Y., 7.3 miles, together with lands, buildings, rolling stock, leases, franchises and incomes.

These bonds were ASSUMED by the Rome, Watertown & Ogdensburg Railroad Company, and have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Equity: These bonds are prior in lien to the Rome, Watertown & Ogdensburg First Consolidated 3½s, 4s and 5s of 1922.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds were sold in 1909 on a 4.10 basis

1910 4.40

1911 4.30 (bid)

December, 1912 4.70

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

CARTHAGE, WATERTOWN & SACKET'S HARBOR RAILROAD

Consolidated Mortgage 5s

Dated July 1, 1891

Maturing July 1, 1931

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$300,000

Outstanding \$300,000

Per mile . . . 10,300

Security: These bonds are secured by a first mortgage on the company's road from Carthage to Sacket's Harbor, N. Y., via Watertown, including the terminals, lands, buildings, equipment and franchises of the same. The mileage covered is 28.96 miles.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

Trustee: Guaranty Trust Company, New York.

The Carthage, Watertown & Sacket's Harbor Railroad was organized February 5, 1869, and opened for traffic in 1872. It was leased on February 1, 1872, to the Utica & Black River Railroad Company for the term of its corporate existence. The latter agreed to keep the property in repair and pay as rent $37\frac{1}{2}\%$ of gross earnings.

In 1886 the Utica & Black River Railroad Company was leased for the term of its corporate existence to the Rome, Watertown & Ogdensburg Railroad Company, the latter assuming all its obligations including its leases. The New York Central & Hudson River Railroad Company leased the entire property and rights of the Rome, Watertown & Ogdensburg Railroad Company in 1891.

These bonds are considered a legal investment for savings banks in New Hampshire, Massachusetts and Rhode Island.

OSWEGO & ROME RAILROAD

First Mortgage 7s

Dated May 22, 1865

Maturing May 1, 1915

Interest payable May 1 and November 1 at the Grand Central Station, New York.

Coupon bonds of \$500 and \$1,000.

Authorized \$350,000

Outstanding \$350,000

Per mile . . . 13,000

Security: The above bonds are secured by a first mortgage on the company's line from Oswego to Richland, N. Y., 26.63 miles, together with buildings and equipment. This mortgage is prior in lien to any claim of the Rome, Watertown & Ogdensburg Railroad.

These bonds were GUARANTEED as to INTEREST by the Rome, Watertown & Ogdensburg Railroad Company. This guarantee has been ASSUMED by the New York Central & Hudson River Railroad Company under the terms of its lease.

Equity: These bonds are prior in lien to \$400,000 Oswego & Rome Second Mortgage 5s of 1915.

The Oswego & Rome Railroad was organized in April, 1863, and was opened for traffic January 1, 1866, at which time it was leased to the Rome, Watertown & Ogdensburg Railroad Company at an annual rental equal to the interest on the company's bonds and 8% on its outstanding capital stock. The Rome, Watertown & Ogdensburg Railroad Company was leased, in turn, to the New York Central & Hudson River Railroad Company for the term of its corporate existence in 1891.

These bonds are considered a legal investment for savings banks in Maine.

OSWEGO & ROME RAILROAD

Second Mortgage 5s

Dated April 1, 1891

Maturing May 1, 1915

Interest payable February 1 and August 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000.

Authorized \$400,000

Outstanding \$400,000

Per mile . . . 14,800

Security: The above bonds are secured by a second mortgage on the company's property covered by the first lien of the First Mortgage 7s of 1915.

These bonds were GUARANTEED as to PRINCIPAL and INTEREST by the Rome, Watertown & Ogdensburg Railroad Company by endorsement. This guarantee has been ASSUMED by the New York Central & Hudson River Railroad Company under the terms of its lease.

Trustee: Central Trust Company, New York.

These bonds sold in 1907 on a 4.55 basis

1908	4.15
1909	4.05 (bid)
1910	4.55 (asked)
1911	5.00 (bid)
1912	4.62

UTICA & BLACK RIVER RAILROAD

First Mortgage 4s

Dated May 1, 1890

Maturing July 1, 1922

Interest payable January 1 and July 1 at the Grand Central Station, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,950,000

Per mile . . . 13,000

Security: The above bonds are secured by a first mortgage on the company's line from Utica to Ogdensburg, N. Y., and branch to Clayton, totalling 150.16 miles, together with all the lands, buildings, equipment, leases and franchises belonging to the same.

These bonds were GUARANTEED as to PRINCIPAL and INTEREST by the Rome, Watertown & Ogdensburg Railroad Company by endorsement. This guarantee is GUARANTEED by the New York Central & Hudson River Railroad Company under the terms of its lease.

Trustee: Central Trust Company, New York.

The Utica & Black River Railroad Company was chartered in New York January 31, 1853, as the Black River & Utica Railroad Company. The line was opened for traffic December 15, 1855. It was sold under foreclosure March 31, 1860, and reorganized under its present name.

Its entire property and leasehold interests were leased to the Rome, Watertown & Ogdensburg Railroad Company in 1886. The latter company was in turn leased by the New York Central & Hudson River Railroad Company in 1891.

These bonds sold in 1902 on a 3.33 to 3.47 basis

1903	3.45	3.70
1904	3.70	
1905	3.40	
1906	3.70	
1907	3.75	
1908	3.70	4.05
1909	3.77	
1910	3.80	4.00
1911	4.00	
December, 1912	4.62	(bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

DUNKIRK, ALLEGHENY VALLEY & PITTSBURGH RAILROAD

First Mortgage $4\frac{1}{2}\%$

Dated August 1, 1910

Maturing August 1, 1960

Interest payable February 1 and August 1 at New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and multiples.

Coupon and registered bonds interchangeable.

Authorized \$5,000,000

Outstanding \$2,900,000
Per mile . . . 32,000

Provisions of issue: Of the total amount authorized, \$2,900,000 is outstanding as above, and the balance, \$2,100,000, has been reserved for extensions and betterments with restrictions.

Security: The above bonds are secured by a first mortgage on the company's road from Dunkirk, N. Y., to Titusville, Pa., 90.5 miles, together with lands, buildings, equipment and future acquisitions.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

Trustee: Guaranty Trust Company, New York.

The Dunkirk, Allegheny Valley & Pittsburgh Railroad Company was organized December 1, 1872, as a consolidation of the Dunkirk, Warren & Pittsburgh Railroad and the Warren & Venango Railroad Companies. The property of the company is leased to the New York Central & Hudson

River Railroad Company, but operated independently, the lessee paying as rental interest on the company's bonds and 3% on one-half the company's capital stock.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

BOSTON & ALBANY RAILROAD

Debenture 4s

Dated October 1, 1893

Maturing October 1, 1913

Interest payable April 1 and October 1 at the Terminal Station, Boston.

Coupon bonds of \$1,000.

Authorized \$3,627,000

Outstanding \$3,627,000

Security: These bonds are a direct obligation of the company, but are not secured by a mortgage. The indenture provides that no other mortgage shall be placed upon the property without jointly including the above issue under it.

The above bonds have been GUARANTEED as to INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

These bonds sold in 1902 on a 3.20 to 3.25 basis

1905	4.10	
1906	3.75	
1908	4.00	4.70
1909	4.25	(bid)
1910	4.45	(bid)
1911	4.45	(bid)

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 3½s

Dated January 1, 1901

Maturing January 1, 1951

Interest payable January 1 and July 1 at Terminal Station, Boston.

Coupon bonds of \$1,000.

Authorized \$2,500,000

Outstanding \$1,000,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture provides that no other mortgage shall be placed upon the property of the company without jointly including the above issue under it.

These bonds have been GUARANTEED as to INTEREST by the New York Central & Hudson River Railroad Company under the terms of its lease.

These bonds were quoted in 1909 on a 4.05 basis (bid)

1910	4.15
1911	4.20
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 3 $\frac{1}{2}$ s

Issued in 1882 under a Special Act of the Massachusetts Legislature

Maturing April 1, 1952

Interest payable April 1 and October 1 at Terminal Station, Boston.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Authorized \$3,858,000

Outstanding \$3,858,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture provides that no mortgage shall be placed on the property of the company without jointly including the above issue thereunder.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

These bonds were extended April 1, 1902, to the above maturity. At the same time the interest rate was reduced from 5% to 3 $\frac{1}{2}$ %.

These bonds were quoted in 1909 on a 4.05 basis (bid)

1910	4.15
1911	4.15
December, 1912	4.40

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 4s

Dated May 1, 1908

Maturing May 1, 1933

Interest payable May 1 and November 1 at Terminal Station, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Coupon and registered bonds interchangeable.

Authorized \$7,000,000

Outstanding \$7,000,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture provides that no mortgage shall be placed on the company's property without jointly including this issue thereunder.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

These bonds were quoted in 1909 on a 4.00 to 4.12 basis

1911	4.15 (bid)
December, 1912	4.45 (bid)

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 4s

Dated May 1, 1909

Maturing May 1, 1934

Interest payable May 1 and November 1 at Terminal Station, Boston.

Coupon bonds of \$1,000.

Registered bonds of \$1,000, \$5,000 and \$10,000.

Coupon and registered bonds interchangeable.

Authorized \$4,500,000

Outstanding \$4,500,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture further provides that no mortgage shall be placed on the company's property without including the above issue thereunder.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 4s

Dated May 1, 1910

Maturing May 1, 1935

Interest payable May 1 and November 1 at Boston.

Coupon bonds of \$1,000.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$2,000,000

Outstanding \$2,000,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture further provides that no mortgage shall be placed on the company's property without including the above issue thereunder.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

These bonds are considered a legal investment for savings banks in New England except in Maine.

BOSTON & ALBANY RAILROAD

Debenture 4½s

Dated July 1, 1912

Maturing July 1, 1937

Interest payable January 1 and July 1 at the Old Colony Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000

Security: The above bonds are a direct obligation of the Boston & Albany Railroad Company, but are not secured by a mortgage. The indenture further provides that no mortgage shall be placed on the company's property without including the above issue thereunder.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the New York Central & Hudson River Railroad Company by endorsement.

These bonds are considered legal for saving banks in New England except Maine.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Boston & Albany Equipment Trust 4½s

Dated October 1, 1912

Maturing \$348,000 each October 1 to October 1, 1927

Interest payable April 1 and October 1 in New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$7,500,000

Outstanding \$5,920,000

Provisions of issue: Of the total amount authorized, \$5,920,000 are outstanding as above and the balance, \$2,280,000, has been reserved for additional equipment, which shall be issued up to 90% of the actual cost of equipment delivered to and held by the trustee.

Security: The above bonds were issued under a Trust Agreement between the New York Central & Hudson River Railroad Company and the trustee whereby the title of the equipment remains with the trustee as security for payment of principal and interest of the outstanding bonds. The title shall so remain until the railroad company has retired all of the same.

Trustee: Guaranty Trust Company, New York.

In regard to the above issue, The New York, New Haven & Hartford Railroad Company has entered into an agreement to pay the New York Central & Hudson River Railroad Company one-half the money required to meet the obligations of this trust. Having done so, each of the two companies will, at its expiration, become the owner of one-half of this equipment.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD

Thirty-Year Debenture Gold 4s

Dated January 1, 1912

Maturing January 1, 1942

Interest payable January 1 and July 1 at New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000, \$5,000, \$10,000 and multiples of \$10,000.

Coupon and registered bonds are interchangeable.

Authorized \$50,000,000

Outstanding \$8,995,000

Provisions of issue: Of the total amount authorized, \$8,995,000 are outstanding as above, and the balance, \$41,005,000, has been reserved for extensions subject to the limitations indicated by the indenture.

Security: The above bonds are a direct obligation of the New York Central & Hudson River Railroad, but are not secured by a mortgage. The company agrees in its indenture not to create any further mortgage without securing these bonds equally thereunder. This provision, however, shall not prevent the renewal or extension of any existing mortgage, nor does it apply in regard to the New York Central Collateral Trust 3½s of 1998.

Trustee: Guaranty Trust Company, New York.

These bonds were issued for the purpose of acquiring the stock of the New York & Harlem Railroad Company, the Rome, Watertown & Ogdensburg Railroad Company and the Utica & Black River Railroad Company. They were offered in 1912 at 92 and interest through J. P. Morgan & Company to the stockholders of the above railroad companies.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NEW YORK CENTRAL LINES

Equipment Trust 5s

Dated November 1, 1907

Maturing \$2,000,000 annually until November 1, 1922

Interest payable May 1 and November 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$5,000, \$10,000 and \$50,000.

Authorized \$30,000,000

Outstanding \$20,000,000

\$10,000,000 of this issue had been redeemed to January 1, 1913.

Security: The above bonds are a joint and several obligation of the New York Central & Hudson River Railroad, the Lake Shore & Michigan Southern Railway, the Michigan Central Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, and the Chicago, Indiana & Southern Railroad Companies. They are secured by equipment against which these certificates were issued at 90% of the cost of the equipment furnished. The indenture provides that the title to the equipment shall remain in the name of the trustee until the notes are fully paid.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by each of the several companies party to the trust agreement.

Trustee: Guaranty Trust Company, New York.

NEW YORK CENTRAL LINES

Equipment Trust 4½s

Dated January 1, 1910 Maturing \$2,000,000 annually to January 1, 1925, inclusive
Interest payable January 1 and July 1 at the Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$5,000, \$10,000 and \$50,000.

Authorized \$30,000,000 Outstanding \$24,000,000

\$6,000,000 of this issue had been redeemed to January 2, 1913.

Security: The above bonds are a joint and several obligation of the New York Central & Hudson River Railroad, the Lake Shore & Michigan Southern Railway, the Michigan Central Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, and the Chicago, Indiana & Southern Railroad Companies. They are secured by equipment against which these certificates were issued at 90% of the cost of the equipment furnished. The indenture provides that the title to the equipment shall remain in the name of the trustee until the notes are fully paid.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by each of the companies represented in the trust agreement.

Trustee: Guaranty Trust Company, New York.

NEW YORK CENTRAL LINES

Equipment Trust 4½s

Dated January 1, 1912 Maturing \$1,000,000 annually from January 1, 1913, to January 1, 1927, inclusive
Interest payable January 1 and July 1 at Guaranty Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$5,000, \$10,000 and \$50,000.

Authorized \$15,000,000 Outstanding \$14,000,000

\$1,000,000 of this issue have been redeemed to January 1, 1913.

Security: The above bonds are a joint and several obligation of the New York Central & Hudson River Railroad, the Lake Shore & Michigan Southern Railway, the Michigan Central Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, and the Chicago, Indiana & Southern Railroad Companies. They are secured by equipment against which these certificates were issued at 90% of the cost of the equipment furnished. The indenture provides that the title to the equipment shall remain in the name of the trustee until the notes are fully paid.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by each of the companies represented in the trust agreement.

Trustee: Guaranty Trust Company, New York.

NEW YORK CENTRAL LINES

Equipment Trust 4½s

Dated January 1, 1913 Maturing \$1,600,000 annually from January 1, 1914, to January 1, 1928, inclusive
Interest payable January 1 and July 1 in New York and London.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$1,000, \$5,000, \$10,000 and \$50,000.

Authorized \$24,000,000 Outstanding \$12,547,000

Security: The above bonds are a joint and several obligation of the New York Central & Hudson River Railroad, the Lake Shore & Michigan Southern Railway, the Michigan Central Railroad, the Cleveland, Cincinnati, Chicago & St. Louis Railway, the Pittsburgh & Lake Erie Railroad and the Toledo & Ohio Central Railroad Companies. They are secured by an equipment against which these certificates were issued at 90% of the actual cost of the equipment furnished. The indenture provides that the title to the equipment shall remain with the trustee until all the outstanding obligations are paid.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST jointly and severally by each of the companies represented in the trust agreement.

Trustee: Guaranty Trust Company, New York.

BOND DESCRIPTIONS OF CONTROLLED ROADS

Following are descriptions of bond issues of companies operated independently but controlled through stock ownership by the New York Central & Hudson River Railroad Company:

ST. LAWRENCE & ADIRONDACK RAILWAY

First Mortgage 5s

Dated July 1, 1896 Maturing July 1, 1996
Interest payable January 1 and July 1 at the New York Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$800,000 Outstanding \$800,000
Per mile . . . 18,600

Security: The above bonds are secured by a first mortgage on the company's line from Malone, N. Y., to Valleyfield, Can., and the line from Beauharnois to Adirondack Junction, Can., totalling

43.07 miles, together with all lands, buildings, and franchises now owned or hereafter acquired, and all incomes.

Equity: These bonds are prior in lien to \$400,000 St. Lawrence & Adirondack Second 6s of 1896.

Trustee: New York Trust Company, New York.

The St. Lawrence & Adirondack Railway was organized July 2, 1892, under the laws of New York and the Dominion of Canada. On November 18, 1895, the company consolidated with the Malone & St. Lawrence Railway Company, and on July 2, 1896, with the Southwestern Railway Company. The entire capital stock of the St. Lawrence & Adirondack Railway Company is owned by the New York Central & Hudson River Railroad Company, which acquired its control in January, 1905.

These bonds sold in 1906 on a 4.10 basis

1908	4.45
1909	4.35
1910	4.60 (bid)
1911	4.50 (bid)
1912	4.60 (bid)

ST. LAWRENCE & ADIRONDACK RAILWAY

Second Mortgage 6s

Dated October 1, 1896

Maturing October 1, 1896

Interest payable April 1 and October 1 at the Equitable Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$400,000

Outstanding \$400,000

Per mile . . . 9,500

Security: The above bonds are secured by a second mortgage on the company's property covered by the first lien of the First Mortgage 5s of 1896 (which see).

Trustee: New York Trust Company, New York.

LITTLE FALLS & DOLGEVILLE RAILROAD

First Mortgage 3s

Dated July 1, 1902

Maturing July 1, 1932

Interest payable January 1 and July 1 at American Exchange National Bank, New York.

Coupon bonds of \$100, \$500 and \$1,000.

Authorized \$250,000

Outstanding \$250,000

Per mile . . . 25,000

Security: The above bonds are secured by a first mortgage on the company's road from Little Falls to Dolgeville, N. Y., 10.08 miles.

Trustee: United States Mortgage & Trust Company, New York.

The Little Falls & Dolgeville Railroad was organized December 29, 1902, as a reorganization after foreclosure of a company of the same name. Almost the entire capital stock of the company is owned by the New York Central & Hudson River Railroad Company.

These bonds are considered a legal investment for savings banks in Maine.

RAQUETTE LAKE RAILWAY

First Mortgage 5s

Dated January 1, 1900

Maturing January 1, 1950

Interest payable May 1 and November 1 at the Trustee's office, 15 Broad Street, New York.

Coupon bonds of \$1,000.

Authorized \$250,000

Outstanding \$250,000

Per mile . . . 13,900

Security: These bonds are secured by a first mortgage on the company's lines from Clearwater Junction to Raquette Lake, N. Y., 18.1 miles.

Trustee: T. P. Floyd, Esq., 15 Broad Street, New York.

The Raquette Lake Railway Company was chartered February 7, 1899, under the laws of New York. The road was opened for traffic July 1, 1900. The company has a street railway charter, but the motive power is steam. It is operated by the New York Central & Hudson River Railroad Company as agent for the owners, under an agreement dated January 1, 1901.

These bonds are considered a legal investment for savings banks in Maine.

TORONTO, HAMILTON & BUFFALO RAILWAY

First Mortgage 4s

Dated June 1, 1896

Maturing June 1, 1946

Interest payable June 1 and December 1 at the Lincoln National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$3,280,000

Outstanding \$3,280,000

Per mile . . . 39,000

Security: The above bonds are secured by a first mortgage on 83.67 miles of the company's road, all in Ontario, together with equipment and future acquisitions.

Equity: These bonds are prior in lien to \$1,000,000 Toronto, Hamilton & Buffalo Railway Second Mortgage 4s of 1946.

Trustee: American Trust Company, Boston.

The Toronto, Hamilton & Buffalo Railway Company was chartered December 1, 1892, under the laws of the Dominion of Canada, as the successor to the Brantford, Waterloo & Lake Erie Railway Company. At present it is controlled by the New York Central & Hudson River Railroad, the Canada Southern Railway, the Michigan Central Railroad and the Canadian Pacific Railway Companies.

These bonds sold in 1902 on a 4.05 to 4.15 basis

1903	4.10	
1904	4.25	4.30
1905	4.05	4.15
1906	4.25	
1909	4.45	
1910	4.50	4.75
1911	4.55	4.75
1912	4.55	4.65

TORONTO, HAMILTON & BUFFALO RAILROAD

Second Mortgage 4s

Dated June 1, 1904

Maturing June 1, 1946

Interest payable June 1 and December 1 at the Lincoln National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000
Per mile . . . 11,900

Security: The above bonds are secured by a second mortgage on the property covered by the first lien of the First Mortgage 4s of 1946 (which see).

Guaranty fund: The New York Central & Hudson River Railroad, the Michigan Central Railway, the Canada Southern Railway and the Canadian Pacific Railway Companies have agreed to set aside, if necessary, 25% of their gross earnings upon the traffic delivered to and received from the Toronto, Hamilton & Buffalo Railway Company as a fund to meet (1) the interest on the First Mortgage 4s, (2) the interest on the above Second Mortgage 4s.

For history, see above.

THE NEW YORK, NEW HAVEN & HARTFORD
RAILROAD COMPANY

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD COMPANY

HISTORY

The present New York, New Haven & Hartford Railroad was chartered August 6, 1872, under the laws of Connecticut, Massachusetts and Rhode Island, as the result of a consolidation of the New York Railroad Company and the New Haven Railroad Company. The New York Railroad Company had been chartered in Connecticut as early as 1844, and was opened in 1849. The New Haven Railroad Company was chartered in Connecticut even earlier, 1833, and was opened for traffic in 1839.

Since the above-mentioned consolidation in 1872, the following companies have been merged and their obligations assumed by The New York, New Haven & Hartford Railroad Company:

Company	Date of merger
1. Stamford & New Canaan Railroad	October 1, 1890
2. Hartford & Connecticut Valley Railroad	December 21, 1892
3. New York, Providence & Boston Railroad	February 13, 1893
4. Union Wharf Company	October 18, 1895
5. Shore Line Railway	March 18, 1897
6. Housatonic Railroad	March 28, 1898
7. Shepang, Litchfield & Northern Railroad	July 9, 1898
8. Danbury & Norwalk Railroad	October 26, 1905
9. Providence & Springfield Railroad	October 30, 1905
10. Rhode Island & Massachusetts Railroad (R. I.)	November 3, 1905
11. Woonsocket & Pascoag Railroad	November 3, 1905
12. Middletown, Meriden & Waterbury Railroad	November 3, 1905
13. New Haven & Derby Railroad	November 3, 1905
14. Rockville Railroad	November 6, 1905
15. Colchester Railway	December 16, 1905
16. Naugatuck Railroad	January 31, 1906
17. Providence Terminal Company	December 29, 1906
18. Boston & New York Air Line Railroad	January 30, 1907
19. Pawtuxet Valley Railroad	April 16, 1907
20. Waterbury & Pomeroy Valley Railway	April 22, 1907
21. Manufacturers' Railroad	April 30, 1907
22. Torrington & Winchester Street Railway	June 28, 1907
23. Meriden, Southington & Compounce Tramway	June 28, 1907
24. Village Water Company	January 31, 1908
25. The New England Railroad	April 1, 1908
26. The Stafford Springs Street Railway	June 30, 1908
27. The Consolidated Railway	May 31, 1907
28. Newport & Wickford Railroad & Steamboat Company	October 28, 1909
29. Farmington Street Railway	December 10, 1909

(Continued on next page)

Company	Date of merger
30. New Haven & Northampton Company	October 26, 1910
31. Berkshire Railroad	October 26, 1910
32. Rhode Island & Massachusetts Railroad (Mass.)	October 26, 1910
33. Milford, Franklin & Providence Railroad	December 19, 1910
34. Milford & Woonsocket Railroad	December 19, 1910
35. Plymouth & Middleborough Railroad	November 28, 1911

CONTROLLED RAILROADS

The New York, New Haven & Hartford Railroad controls the Central New England Railway Company through a majority ownership of its capital stock and general mortgage income bonds. The New York, Ontario & Western Railway Company is also controlled through ownership of 22 of the 40 shares of preferred stock outstanding and 291,600 of the 581,140 shares of common stock outstanding June 30, 1912.

By means of the Boston Railroad Holding Company, the entire common stock and \$24,254,000 of the \$27,054,000 preferred stock of which it owns, The New York, New Haven & Hartford Railroad controls the Boston & Maine Railroad and its subsidiaries. The Boston Railroad Holding Company at present owns 6,543 shares of preferred stock out of a total of 31,498, and 219,189 shares of common stock out of a total of 395,050 of the Boston & Maine Railroad. The Main Central Railroad is, therefore, a part of the New Haven System, since it is, in turn, controlled by a majority ownership by the Boston & Maine Railroad.

During the fiscal year of 1911 one-half of its holdings of preferred stock of the Rutland Railroad, amounting to 23,520½ shares, was acquired from the New York Central & Hudson River Railroad Company. Holdings of the two companies at present constitute a majority of the total capital stock of the Rutland Railroad. In December, 1911, the New Haven applied for permission to purchase the balance of the Rutland Stock held by the New York Central. The New York Public Service Commission granted the New Haven this privilege in May, 1912, but upon an appeal of the minority stockholders, the New York Supreme Court remanded this privilege, maintaining that the Rutland Railroad is a competitor of the New Haven. Also, on July 1, 1911, an agreement between The New York, New Haven & Hartford Railroad Company and the New York Central Railroad Company went into effect, whereby the former is to share equally in the net results of the operations of the Boston & Albany Railroad, which was leased to the latter for a term of 99 years from July 1, 1900.

In addition to the above holdings, The New York, New Haven & Hartford Railroad is and has been from its inception a half owner with the Pennsylvania Railroad in the construction of the New York Connecting Railroad, which is designed to be a new route for the interchange of traffic between the Pennsylvania and the New Haven Systems, instead of the present passenger and freight ferry service. The present investment of the former in the New York Connecting Railroad Company amounts to over \$2,500,000, and by the time the railroad has been completed, it will cost approximately \$20,000,000.

One other important controlling interest which The New York, New Haven & Hartford holds is in the New York, Westchester & Boston Railway Company, which was incorporated January 18, 1910, under the laws of New York. The railway extends from Harlem River at Willis Avenue, New York, through the Borough of the Bronx, and Westchester County, to Mt. Vernon, where the lines diverge, one extending north to White Plains, the other extending east to the Connecticut State Line at Port Chester, a total of 74.57 miles of track. The property of the railway is of high-grade construction, and it runs through a territory which includes some of the rapidly growing residential sections adjacent to New York City. At the close of the fiscal year of 1912, nearly \$30,000,000 had been spent on this property and upon this investment no return has as yet been realized. To be sure, the New Haven has been reimbursed to the extent of \$17,200,000 of this amount through

the sale of First Mortgage Bonds of the New York, Westchester & Boston Railway Company. These bonds are guaranteed by the New Haven, and until the Westchester property is on a substantial earning basis, interest on the same will be charged against the earnings of the former.

LEASED LINES

At the close of the company's fiscal year, June 30, 1912, there were eight railroads included in the group of leased lines for which the company paid an annual rental of \$4,474,347. A brief description of each of these properties follows:

1. Old Colony Railroad

The Old Colony Railroad was chartered in March, 1844, in Massachusetts. From the date of the opening of the company's original line in 1845, when thirty-seven miles were put into commission between Boston and Providence, to 1893, when its properties were leased to the New Haven, the Old Colony Railroad had grown, by various consolidations, extensions and leases, into a system of over 600 miles.

In February, 1893, the Old Colony Railroad was leased for 99 years effective from March 1 of that year. By the terms of the lease, which expires March 1, 1992, The New York, New Haven & Hartford Railroad assumed all the liabilities of the Old Colony Railroad Company and agreed to pay as rental 7% dividends on its capital stock outstanding. It also provided for the exchange of stock on the basis of 9 shares of the parent company's stock for 10 shares of the subsidiary. The New York, New Haven & Hartford Railroad began operating this property on July 1, 1893.

The obligations of the Old Colony Railroad Company, on account of the lines leased by it, are assumed by The New York, New Haven & Hartford Railroad only during the continuance of its lease of the parent road.

2. Boston & Providence Railroad

The Boston & Providence Railroad was chartered in July, 1831. Its line was opened in August, 1835, between Boston & Providence. It was leased to the Old Colony Railroad from April 1, 1888, for 99 years, at an annual rental of 10% on the capital stock outstanding, and a cash bonus of \$1,300,000. From this cash bonus, a \$32.50 dividend per share was paid May 2, 1888. The above lease will expire April 1, 1987.

3. Providence & Worcester Railroad

The Providence & Worcester Railroad was chartered in November, 1845, as a consolidation of two companies of the same name, both chartered in 1844. Its main line from Providence to Worcester was open for traffic in 1847. Its property was leased to The New York, New Haven & Hartford Railroad for 99 years from July 1, 1892. The annual rental was fixed at 10% of the capital stock, interest on the company's funded debt and nominal charges for organization expenses. The above lease expires July 1, 1991.

4. Norwich & Worcester Railroad

The Norwich & Worcester Railroad was chartered in June, 1836, under the laws of Connecticut and Massachusetts, as a consolidation of the Boston, Norwich & New London Railroad, and the Worcester & Norwich Railroad Companies. Its property was leased to The New England Railroad for 99 years from February 9, 1869. This lease was assumed by The New York, New Haven & Hart-

ford Railroad upon the merging of The New England Railroad in 1908. The annual rental is equal to interest on the company's bonds and 8% on its preferred stock.

5. Harlem River & Port Chester Railroad

The Harlem River & Port Chester Railroad was constructed from cash advanced by The New York, New Haven & Hartford Railroad Company, for which they received \$2,000,000 First Mortgage 7% Bonds dated October, 1873, on which they guarantee the principal and interest. The road was open for business November 24, 1873, and leased for 99 years subject to direct operation by The New York, New Haven & Hartford Railroad.

6. Holyoke & Westfield Railroad

The Holyoke & Westfield Railroad was opened for business in October, 1871, and leased at that time to the New Haven & Northampton Company, which was merged into the New Haven System October 26, 1910. By the terms of the above lease, the New Haven & Northampton Company paid as rental 50% of gross earnings with a minimum guaranty of \$8,000 a year, but on June 30, 1908, the lease was amended so as to provide in perpetuity for a fixed rental of \$46,000 and taxes.

7. Providence, Warren & Bristol Railroad

The Providence, Warren & Bristol Railroad was leased to the Old Colony Railroad for 95 years and 9 months from July 1, 1891, at an annual rental of 5% on the common stock of the company, 5% on the preferred stock for ten years and 6% for each year during the remainder of the lease, also all interest charges and taxes, and \$500 for organization expenses. This lease should expire February 1, 1997.

8. Chatham Railroad

The Chatham Railroad was open for business November 21, 1887, and was leased to the Old Colony Railroad at an annual rental equivalent to interest on the company's funded debt, taxes and organization expenses. The date of this lease was January 5, 1888.

A new lease of the property of the Chatham Railroad was made effective as of January 1, 1911, for a term of 81 years and 2 months. This lease, with The New York, New Haven & Hartford Railroad, supersedes the original one made with the Old Colony Railroad in 1888.

ELECTRIC RAILWAYS

When President Mellen assumed the direction of The New York, New Haven & Hartford Railroad, the trolleys of New England were developing in a most haphazard fashion. Upon the New Haven advent on the scene of action, it determined to convert these independent trolley lines to a function of greater usefulness, that of being tributary to the steam roads. The carrying out of this policy led to the creation of holding companies by means of which the New Haven might indirectly at least carry out its ultimate plans. Through the agency of these holding companies not only in Massachusetts, but also in Connecticut and Rhode Island, comparative order was brought out of chaos, and electric traction service was so organized and extended that transportation facilities were materially increased.

The holding company created to operate the New Haven trolley lines in Massachusetts was the New England Investment & Security Company, a voluntary association organized in June, 1906. This company took over the street railway properties in Massachusetts, which had

previously been controlled by The Consolidated Railway Company (which was merged into The New York, New Haven & Hartford System May 31, 1907). The New England Investment & Security Company controlled, October 1, 1909, through ownership of all or a majority of their stocks, the following companies:—

Hartford & Worcester Street Railway Company
Central Massachusetts Electric Company
Marlborough & Westborough Street Railway Company
Milford, Attleborough & Woonsocket Street Railway Company
Springfield Railway Companies
Springfield Street Railway Company
Worcester & Blackstone Valley Street Railway Company
Worcester Consolidated Street Railway Company
Worcester & Holden Street Railway Company
Worcester Railways & Investment Company
Worcester & Southbridge Street Railway Company
Uxbridge & Blackstone Street Railway Company

The Supreme Judicial Court of Massachusetts handed down a decree in May, 1908, enjoining The New York, New Haven & Hartford Railroad Company from holding directly or indirectly the stocks of any Massachusetts Street Railway after July 1, 1909. The New Haven thereupon disposed of its holdings in the New England Investment & Security Company, and for the time being its trolley amalgamations in that Commonwealth ceased.

In July, 1910, The New York, New Haven & Hartford Railroad acquired by special authority of the Massachusetts Legislature the control of the Berkshire Street Railway, which but two months before had absorbed the Pittsfield Electric Street Railway. In January, 1912, authority was asked from the Massachusetts Legislature to form a new corporation to be known as the Worcester, Springfield & Berkshire Street Railway Company to take over, consolidate and operate all street railways formerly controlled by the New Haven, but of late (owing to the above-mentioned decree of the Supreme Court of Massachusetts in May, 1908) held by the New England Investment & Security Company and the Berkshire Street Railway Company. The New York, New Haven & Hartford Railroad proposed to hold all the common stock of the new company and guarantee its dividends, the liquidation value of the preferred shares, and the principal and interest of bonds and other obligations. Up to the date of publication this authority had not been given by the Legislature.

The Connecticut properties of the New Haven System are held and operated by the Connecticut Company, incorporated in 1907, whose \$40,000,000 capital stock is all owned by The New York, New Haven & Hartford Railroad and the Housatonic Power Company. In December, 1911, the New Haven divested itself of all its electric properties except those used for railway power purposes, by subleasing all its large electric and gas companies in Connecticut for 994 years from October 1, 1911, at an annual rental of \$365,000, to a new corporation called the United Electric Light & Water Company of Connecticut, which it has been said represents the United Gas Improvement Company of Philadelphia.

The New Haven's operating company in Rhode Island is known as the Rhode Island Company, which was organized in June, 1902, for the purpose of uniting under a single management the street railway, gas and electric properties of Providence and vicinity. The lines it operates serve the cities and towns of Providence, Warwick, Johnston, Smithfield, Cumberland, Barrington, Coventry, Warren, Bristol, East Greenwich, the Kingstons, and Narragansett. On June 30, 1911, the company leased the properties of the Providence & Danielson Railway, the Sea View Railroad and the Narragansett Pier Railroad Companies. The Rhode Island Company, in turn, is controlled by The New York, New Haven & Hartford Railroad Company through the ownership of almost its entire capital stock.

A company known as the Vermont Company has been formed to operate traction lines in the

State of Vermont. Its capital stock is owned by the New Haven. This company on June 30, 1911, operated 21 miles of road in and near Bennington, Vermont, and in March 1912 its property was leased to the Berkshire Street Railway Company for 99 years.

ELECTRIFICATION

Since 1895, when electric traction was substituted for steam power on the Nantasket Beach Railroad, the company has been gradually extending the use of electricity to those lines which could be advantageously operated thereby. An overhead trolley system has been installed on the Providence, Warren & Bristol Railroad, 22 miles, and the New Canaan Branch of The New York, New Haven & Hartford Railroad, 8 miles. The third-rail system is employed on the Berlin Branch, 4 miles, and the electric section of The New England Railroad. The complete electrification of the New York Division between New York and Stamford was effected in June, 1908, and in December, 1911, the Directors of the New Haven voted to authorize the electrification of the main line between Stamford and New Haven, a distance of 39 miles. This work is in the process of construction at the present time and when completed will mean the complete electrification of the main line between New York City and New Haven.

STEAMSHIP LINES

The holdings of the New Haven in steamboat properties have been, until lately, very extensive, through the New England Navigation Company (whose entire stock is owned by the former) and the Hartford & New York Transportation Company. These holdings have changed hands so much that the situation is a somewhat complicated one.

The New England Navigation Company was incorporated in Connecticut in 1904 as the Colonial Commercial Company. In 1905 it acquired control of the Old Colony Steamboat Company. In October, 1906, it purchased a majority of the capital stock of the Hartford & New York Transportation Company, and early in 1907 it acquired the entire capital stock of the Boston & Philadelphia Steamship Company, operating a line of steamers between Boston, Providence and Philadelphia, in connection with the rail lines of The New York, New Haven & Hartford Railroad Company. Shortly after this (March, 1907) an agreement was entered into with the Merchants & Miners Transportation Company for the acquisition of a half interest in the stock of that company, and since then close traffic relations have been maintained between these two companies.

On January 31, 1908, the New England Navigation Company purchased the assets and property of the Providence Securities Company, a holding company in Rhode Island, and early in 1911 the New Bedford, Martha's Vineyard & Nantucket Steamboat Company was acquired by the New Haven interests and put under operation by the New England Navigation Company.

The New England Navigation Company, until recently, owned a fleet of upwards of 30 steamers (among those the palatial steamers "Commonwealth," "Priscilla," "Puritan," "Plymouth," "Pilgrim," etc.) with a gross tonnage of approximately 90,000 tons. Its entire physical property was sold July 1, 1912, owing to legislation passed by Congress, to the New England Steamship Company, whose capital stock and First Mortgage Bonds were tendered in payment for the same. The routes covered include the Fall River Line, the Providence & Block Island Line, the Norwich Line (between New York and New London), the New York-New Haven Line, the New York & Bridgeport Line and the New York & Providence Line.

The Hartford & New York Transportation Company, owned by the New England Navigation Company, was incorporated in Connecticut in February, 1877. The company owns 7 steamboats, 7 tow boats and 30 barges, with a capacity of from 300 to 1,500 tons, and operates a line between Hartford and New York. In March, 1908, the company acquired the property of the United States Transportation Company, which was also a holding company of The New York, New Haven &

Hartford Railroad. The former company controls the Joy Line and the Neptune Line, and until recently controlled the Maine Steamship Company, which was included in the consolidation plans of the Eastern Steamship Corporation.

PROPERTY

At the close of the company's fiscal year ending June 30, 1912, The New York, New Haven & Hartford Railroad Company operated 2,091.90 miles. Of this amount 1,238.52 miles were owned in fee, 757.84 miles represented road operated under leases, and 95.54 miles operated under trackage rights. The main lines of the railroad extend from Woodlawn Junction, New York, to Providence, and from Boston, Massachusetts, to Hopewell Junction, New York. Many important branches connect with these main lines, and tap practically all the railroad territory of the States of Connecticut, Rhode Island and Southern and Central Massachusetts.

Together with the New York, Ontario & Western Railroad, whose lines connect New York with the Great Lakes at Oswego, the Boston & Maine Railroad and the Maine Central Railroad which serve the territory of Maine, New Hampshire and Northern Massachusetts, and the Rutland Railroad in Vermont, the New Haven System, embracing its leased and controlled lines, does practically the entire railroad transportation business of New England. The above roads, although controlled by the New Haven, are operated independently.

CAPITALIZATION

Taken from the official report of the company for the year ended June 30, 1912, we find the following capital figures for The New York, New Haven & Hartford Railroad and leased roads:

Capital stock	\$179,583,100
Total funded debt	205,067,104
	<hr/>
Rentals capitalized at 5%	\$384,650,204
	145,190,800
	<hr/>
Gross capitalization	\$529,841,004
Less securities owned	221,487,967
	<hr/>
Net capitalization	\$308,353,037
 Net capital per mile operated	 \$147,466
Average miles operated	2,091.90
Net income to net capital	11.2%
Fixed charges to net income	61.2%
Margin of safety	38.8%

As will be seen by the foregoing, the total capital outstanding of The New York, New Haven & Hartford Railroad proper is nearly \$385,000,000. Based on the number of miles owned in fee, the amount of capital outstanding per mile amounts at the present time to nearly \$311,000. This compares with the same relative figure of the following roads:

New York Central & Hudson River Railroad . . .	\$502,359
Boston & Maine Railroad	122,348

During the past fiscal year rental charges consumed \$7,259,540 of income. Capitalizing this at the rate of 5%, the resultant amount is in excess of \$145,000,000, which brings the total gross

capitalization of the New Haven proper and leased roads up to approximately \$530,000,000, or nearly \$253,390 per mile of road actually operated.

Assets in the shape of investment securities carried on the company's balance sheet at over \$221,000,000, have tended to offset this enormous item. The net capital per mile of road operated was \$147,466, as compared with \$79,119 per mile, the net capitalization of the Boston & Maine, \$154,374 (1911) of the New York Central, and \$145,150 of the New York, Ontario & Western Railroad.

From the above comparative figures, it would seem that The New York, New Haven & Hartford Railroad was more heavily capitalized than other systems of the same class, but when considered on the basis of its earnings, the showing is much better. For the fiscal year of 1912, The New York, New Haven & Hartford reported gross earnings of over \$31,000 per mile, a record for the system. The New York Central's gross earnings were \$27,427 per mile, while the Boston & Maine was able to show but \$20,495, and the Ontario & Western slightly over \$15,000.

The fact is further attested by the percentage of net earnings to net capitalization. In 1912 the net earnings of The New York, New Haven & Hartford Railroad amounted to 11.2% on its net capitalization as against approximately 7.8% for the New York Central, 6.6% for the Boston & Maine, and less than 3% in the case of the New York, Ontario & Western.

In 1912 fixed charges of the New Haven consumed 61% of the total net income, leaving a factor of safety on the underlying securities and guarantees of the road of 39%. The margin of safety on the underlying securities of the New York Central, as shown by its 1911 figures, is approximately 33%, and while the New York, Ontario & Western shows an average margin of safety over ten years of 43%, the Boston & Maine presents barely a 20% margin.

In regard to the capitalization of the New Haven, a word ought to be said about the remarkable increase which has obtained in the same since 1906. The following shows the increase in capitalization:

Fiscal year	Stock	Funded debt	Notes
1912	\$179,583,100	\$205,067,104	\$30,000,000
1906	83,357,100	112,543,725	
Increase	\$96,226,000	\$92,523,399	\$30,000,000

Totalling the increase in capital stock, funded debt and notes outstanding, we find that the capital account of the system has been augmented by over \$218,700,000. That this enormous increase in capital charges is primarily due to the expansion policy of the road which has been carried on in the past, will be shown by an analysis of the balance sheet of the system during the five years in question. Aside from over \$63,000,000, which has gone from year to year into betterments and additions to the steam railroad, and which has been charged to capital, about \$170,000,000 has been spent in outside enterprises since 1906. These comprise electric trolley lines, gathered into the Connecticut and Rhode Island holding companies; expansion of water traffic in the hands of the New England Navigation Company, investments in the Boston Railroad Holding Company, which means the ownership of the Boston & Maine and the Maine Central Railroad Companies and their subsidiaries; large outlays on the New York, Westchester & Boston Railway now nearing completion; part ownership of the Rutland Railroad Company; and various other minor undertakings.

A large part of the amount thus expended is being carried at the present time with no income returns. This is proving a heavy burden and yet it has been shouldered by the system as a whole with but a small deficit in 1911 and an actual surplus in 1912. The load has been further increased by the fact that investments which are showing earning power are not paying for themselves in interest returns — as is the case with the New York, Ontario & Western and the Boston & Maine holdings. The total return on all the investments of the system amounted to but a little over \$6,750,000 in 1912, which is less than 4% on the capital invested, and the money so invested costs the company probably more than 4½%. Furthermore the capital stock has paid an 8% dividend, up to June, 1913 (when the rate was reduced to 6%), and in six years this stock has been increased over \$96,000,000.

CHARACTER OF TRAFFIC

The most noteworthy fact about the New Haven System, and one which differentiates it from most of the large systems, is that its passenger earnings nearly equal its freight earnings; in other words, the freight business has averaged for the past ten years but 49% of the total traffic of the system.

The steady increase in passenger traffic can be shown by a comparison of the earnings and passenger density over the past decade. In 1900 passenger earnings amounted to \$16,750,000. In 1910 they had risen to \$24,825,000, and, during the fiscal year of 1912, they still further increased to over \$26,800,000. The passenger density showed a proportional increase, rising from 464,182 in 1900 to 745,531 in 1912. No other large railroad system in the country has ever reported a similar volume of passenger business; even the New York Central and the Pennsylvania Systems, which are large passenger carriers, showed, with record figures in 1911, passenger densities of only 513,532 and 428,777 respectively.

Freight traffic, likewise, increased steadily and at about the same proportion as passenger traffic. Total freight earnings in 1900 were approximately \$19,450,000. In 1910 they had increased to slightly over \$30,000,000, and during the fiscal year of 1912 bettered the high figure of 1910 by over \$2,000,000. Freight density increased from 657,709 in 1900 to 1,120,535 in 1912. In this respect the figures of the New Haven compare at a disadvantage with the New York Central and Pennsylvania Systems, which have averaged since 1900 better than 2,300,000 and 4,400,000 respectively.

The annual reports of the company do not classify its freight tonnage, but it is well known that this is widely diversified. Manufactured and miscellaneous articles make up the largest proportion of the total, and as manufacturing interests grow in the New England States there should be a corresponding growth in that item of traffic.

The fact that a large proportion of the freight traffic is made up of miscellaneous articles, the cost of handling which is high, results in an extremely high freight rate. The average for the ten years, ending June 30, 1912, is 1.41 cents per ton mile, while the Boston & Maine average, considered high, is only 1.11 cents. The Boston & Albany reports .63 cents per ton mile, and the Pennsylvania but .59 cents.

EARNINGS

Hand in hand with the steady increases shown in passenger and freight density, has gone a remarkable record of earnings during the past few years. Below is a statement of the gross and net earnings of the company based on the average miles operated for the years 1906 to 1912 inclusive:

Fiscal year	Average miles	Gross earnings	Per mile	Net earnings	Per mile
1906 . . .	2,062	52,984,332	\$25,695	\$17,761,736	\$8,614
1907 . . .	2,060	55,601,936	26,991	17,751,855	8,617
1908 . . .	2,047	53,050,147	25,915	14,836,590	7,247
1909 . . .	2,043	54,347,631	26,602	18,267,324	8,941
1910 . . .	2,043	60,693,668	29,708	22,004,452	10,771
1911 . . .	2,041	62,153,435	30,452	21,254,802	10,417
1912 . . .	2,091	64,933,065	31,053	22,829,047	10,918

As will be seen by the foregoing figures, every year with the exception of 1908, when there was only a nominal set back, has been marked by an increase in gross earnings. During the fiscal year of 1912 the largest business in the company's history was reported. It is also gratifying to note that this increase in gross earnings was not so much the result of increasing rates (in fact they have tended to decrease rather than increase) as an increase in the volume of business done.

MAINTENANCE

The maintenance records of the company indicate that during the past six years the New Haven has followed a liberal policy in the maintenance of its property. Tabulated below are the amounts spent for maintenance of way and equipment, also based on the average miles operated for the years 1906 to 1912 inclusive:

Fiscal year	Way	Equipment	Total maintenance	Total maintenance per mile
1906	\$5,614,978	\$5,668,524	\$11,283,502	\$5,472
1907	5,479,089	5,638,784	11,117,873	5,397
1908	5,983,826	6,913,169	12,896,995	6,300
1909	6,130,606	5,906,357	12,036,963	5,892
1910	7,132,376	6,461,772	13,594,148	6,654
1911	6,980,036	7,193,424	14,173,450	6,940
1912	6,829,361	8,046,992	14,876,353	7,114

The above figures show a general increase from year to year, the only curtailment appearing in 1909. The figures of 1908 and 1909, in the face of a general depression, were more than covered by maintenance charges during 1911 and 1912. These latter figures are high records of the company, and if maintained would place the company in the first rank among roads that spend large amounts for upkeep.

ADDITIONS AND BETTERMENTS

During the seven years ending 1912, \$78,000,000 have been spent by The New York, New Haven & Hartford for additions and betterments, as follows:

Year	Equipment	Betterments	Total
1906	\$3,711,731	\$4,852,685	\$8,564,416
1907	4,062,561	10,688,679	14,751,241
1908	16,070,962	5,417,411	21,488,373
1909	7,186,813	1,484,039	8,670,852
1910	3,019,806	1,177,264	4,197,070
1911	5,987,555	9,456,085	15,443,640
1912	3,389,163	1,464,033	4,853,196

Below is a statement of the various accounts against which the above-named betterments were charged during the years in question:

Year	Income	Profit and Loss	Equipment	Replacement	Property
1906	\$3,000,000	\$5,564,416			
1907 . . . . .	....	3,000,000	\$4,062,561	....	\$7,688,679
1908 . . . . .	....	1,579,264	15,555,525	....	4,353,584
1909 . . . . .	....	....	7,182,974	....	1,487,878
1910 . . . . .	....	....	1,953,476	\$1,066,330	1,177,264
1911 . . . . .	....	....	5,600,361	387,195	9,456,085
1912 . . . . .	....	....	3,389,163	....	1,464,033
	<u>\$3,000,000</u>	<u>\$10,143,680</u>	<u>\$37,744,060</u>	<u>\$1,453,525</u>	<u>\$25,627,523</u>
Income	\$3,000,000				
Profit and Loss		10,143,680			
Equipment			37,744,060		
Replacement				1,453,525	
Property					25,627,523
Total				77,968,778	

Combining the amount charged for the purchase of new equipment with that which was spent upon property, shows that over \$63,370,000 was charged during the above period to capital. As a result, the New Haven now owns 1,238 miles of railroad and 2,641 miles of track, as compared with 628 miles of railroad and 1,393 miles of track in 1906. It has electrified the system between Woodlawn and Stamford, purchased new electric equipment and built power houses. It actually owns nearly 38,000 freight and other cars, over 2,100 passenger service cars, and 1,098 locomotives as compared with 15,500 freight cars, 1,500 passenger service cars and 808 locomotives which were owned in 1906. It has eliminated grade crossings, made a tunnel at Providence and a cut at New Haven, completed the Harlem River & Port Chester, a six-track railroad now being electrified, and spent over \$2,600,000 on new bridges.

DIVIDENDS

The New Haven has had an enviable dividend record. After its consolidation and reorganization in 1872, it paid 10%, and this rate was continued with but one exception — the passing of one quarterly payment in 1890 — through the depression of 1873-77 down to 1895. From that time up to June, 1913, 8% was paid. The present rate is 6%. This record has been maintained in the face of large increases in capital stock and in spite of the large amount of investment which is being carried in the capital account without return.

STATISTICS

On the following page are given capitalization, earnings and traffic statistics of The New York, New Haven & Hartford Railroad, based on the average miles operated, for the year 1900, and the years 1905 to 1912 inclusive:

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$26,832	\$12,677	\$43,942	\$83,451	\$11,555	\$71,896	2,038	844
1905	38,554	17,922	39,873	96,349	29,327	67,022	2,075	882
1906	40,991	57,551	38,172	136,714	21,771	114,943	2,062	922
1907	47,262	111,024	54,416	212,702	23,226	189,476	2,060	941
1908	47,824	113,606	62,192	223,622	31,359	192,263	2,047	967
1909	48,947	114,969	58,097	222,013	41,705	180,308	2,043	1,011
1910	70,492	113,816	66,922	251,230	102,619	148,611	2,043	1,015
1911	87,603	104,374	62,244	254,221	100,279	153,942	2,041	1,039
1912	85,883	98,071	69,436	253,390	105,924	147,466	2,091	1,135

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$19,786	\$2,636	\$2,318	\$8,894	\$5,038	\$268	\$6,206	\$3,936	\$2,270
1905	24,087	2,490	2,451	12,325	6,821	589	7,410	4,175	3,235
1906	25,695	2,723	2,749	11,609	8,614	1,055	7,669	4,729	4,940
1907	26,991	2,660	2,737	12,977	8,617	3,072	11,689	7,372	4,317
1908	25,915	2,923	3,377	12,368	7,247	4,063	11,310	8,739	2,571
1909	26,602	3,001	2,891	11,769	8,941	4,626	13,567	9,931	3,636
1910	29,708	3,491	3,163	12,283	10,771	5,042	15,813	10,527	5,286
1911	30,452	3,419	3,523	13,093	10,417	5,182	15,599	10,114	5,485
1912	31,053	3,266	3,848	13,021	10,918	5,591	16,509	10,107	6,402

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Conducting transporta- tion to gross earnings	Total mainte- nance to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$2,076	....	\$194	69.94%	44.92%	25.0%	19.8%	23.8%	8.5%	8.3%
1905	3,084	....	151	71.72	51.13	20.6	17.3	25.0	11.0	8.3
1906	3,136	\$1,613	191	66.40	45.17	21.3	18.4	18.7	8.4	12.0
1907	3,352	....	965	68.02	48.07	20.0	27.3	12.6	6.1	9.1
1908	3,802	....	1,231*	72.03	47.75	24.3	33.7	11.5	5.8	5.4
1909	3,859	....	223*	66.38	44.24	22.1	37.3	12.0	7.5	7.4
1910	4,777	....	509	63.74	41.35	22.4	35.4	11.8	10.6	7.5
1911	6,103	....	618*	65.87	43.07	22.8	33.2	11.9	10.1	6.2
1912	6,846	....	444*	64.95	41.87	23.1	32.5	12.2	11.2	7.4

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transporta- tion per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$2.00	\$2.67	\$2.35	\$9.01	\$6.02	\$0.18	\$0.15	657,709	209	48%	15,527
1905	2.16	2.25	2.20	1.107	.612	.017	.014	889,959	223	49	19,598
1906	2.27	2.40	2.43	1.027	.762	.017	.014	915,909	236	50	22,102
1907	2.30	2.27	2.23	1.109	.736	.016	.014	935,761	238	50	23,034
1908	2.30	2.60	3.00	1.101	.645	.016	.014	873,311	243	48	33,211
1909	2.43	2.80	2.70	1.098	.834	.016	.014	916,504	271	49	37,834
1910	2.66	3.13	2.83	1.100	.965	.016	.014	1,039,980	293	50	39,417
1911	2.63	2.95	3.05	1.132	.900	.017	.0139	1,068,866	289	42	42,147
1912	2.66	2.80	3.30	1.116	.935	.017	.0137	1,120,535	292	49	41,872

* Deficit.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of The New York, New Haven
& Hartford Railroad System, together with the bases on which they
have sold during the decade ending December 31, 1912:

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

Harlem River & Port Chester First Gold 4s

Dated May 2, 1904

Maturing May 1, 1954

Interest payable May 1 and November 1 at the Lincoln National Bank, New York, and
First National Bank, Boston.

Coupon bonds of \$1,000, registerable as to principal.
Exchangeable for registered bonds in denomination of \$10,000.

Authorized \$15,000,000

Outstanding \$15,000,000

Security: The above bonds are a direct obligation of The New York, New Haven & Hartford Railroad Company and are secured by a first mortgage on all the property and franchises of the Harlem River & Port Chester Railroad including the road from the Harlem River to the junction with the main line of the former at New Rochelle, 11.17 miles of first track.

Trustee: United States Trust Company, New York.

The Harlem River & Port Chester Railroad Company was chartered in the State of New York in 1867, and was leased for 99 years from September 29, 1873, to The New York, New Haven & Hartford Railroad Company, which owns its entire \$1,000,000 capital stock.

These bonds sold in 1909 on a 4.00 basis (bid)

1910	4.00 to 4.03 basis
1911	4.05
1912	4.05

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

NAUGATUCK RAILROAD

Debenture 3½s

Dated October 1, 1902

Maturing October 1, 1930

Interest payable April 1 and October 1 at New Haven.

Coupon bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$234,000

Security: The above bonds are a direct obligation of the Naugatuck Railroad Company but are not secured by a mortgage.

They have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

For history, see Naugatuck Railroad First Mortgage Gold 4s, on page 533.

These bonds are considered a legal investment for savings banks in New Hampshire, Massachusetts and Connecticut.

NEW YORK, PROVIDENCE & BOSTON RAILROAD

General Mortgage 4s

Dated April 1, 1892

Maturing April 1, 1942

Interest payable April 1 and October 1 at the Central Trust Company, New York.

Coupon bonds of \$1,000.
Registered bonds of \$1,000.

Authorized \$4,000,000

Outstanding \$1,000,000
Per mile . . . 16,129

Provisions of issue: Although \$4,000,000 is the authorized limit of this issue, the listing application to the New York Stock Exchange stated that the balance, \$3,000,000, would not be issued.

Security: The above bonds are secured by a first mortgage on 62 miles of double track road extending from Providence, R. I., to New London, Conn., and upon single track branches, 18 miles. These bonds are the only mortgage indebtedness upon this portion of the main line.

Trustee: Treasurer of the State of Connecticut.

The New York, Providence & Boston Railroad Company was organized under the laws of the State of Rhode Island in June, 1832, and under the laws of the State of Connecticut in May, 1832. It was merged into The New York, New Haven & Hartford Railroad on February 13, 1893, the latter assuming all its bonded indebtedness according to the terms of the merger.

These bonds were quoted in 1909 on a 4.03 basis (bid)

1910	4.05
1911	4.05
December, 1912	4.00 (asked)

These bonds are considered a legal investment for savings banks in New England.

HOUSATONIC RAILROAD

Consolidated Mortgage 5s

Dated November 1, 1887

Maturing November 1, 1937

Interest payable May 1 and November 1.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$2,839,000
Per mile . . . 32,200

Security: The above bonds are secured by a first mortgage on the company's line from Bridgeport to the northerly boundary of the State of Connecticut. They are further secured by a first mortgage on the interests of the company in the leases of the Berkshire Railroad, the Stockbridge & Pittsfield Railroad, and the Danbury & Norwalk Railroad Companies, together

with all lands, water rights, buildings, improvements and terminal rights at Bridgeport and elsewhere on said railroads. The mortgage also includes all equipment, franchises, income and profits. The mileage covered, exclusive of leaseholds, totals 87.67 miles.

Trustee: Treasurer of the State of Connecticut.

The Housatonic Railroad Company was incorporated in May, 1836, under the laws of Connecticut. The road was opened for traffic December 1, 1842. On October 18, 1892, the company's property was leased for 99 years from July 1, 1892, to The New York, New Haven & Hartford Railroad Company, the latter agreeing to pay 1% yearly upon the preferred stock of the lessor company. On March 28, 1898, under special laws of Connecticut, the Housatonic Railroad Company was consolidated with The New York, New Haven & Hartford Railroad Company, and these bonds were assumed by the latter.

These bonds are considered a legal investment for savings banks in New England.

DANBURY & NORWALK RAILROAD

Consolidated Mortgage 5s and 6s

Dated	{ 6s July 1, 1880 { 5s July 1, 1890 { 5s July 1, 1892	Maturing July 1, 1920
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Interest payable January 1 and July 1 at New Haven.

Coupon bonds of \$1,000.

Authorized \$500,000

Outstanding \$500,000
Per mile . . . 16,600

Security: The above bonds are secured by a mortgage on the Danbury & Norwalk Railroad Company's line extending from Danbury to South Norwalk, Conn., with branches, 29.59 miles. The entire property of the company is included under this mortgage, including depots, equipment, now owned or hereafter acquired; except the company reserves the right to sell any property owned by it not necessary for the construction, operation or security of its railway.

Trustee: Treasurer of the State of Connecticut.

The Danbury & Norwalk Railroad Company was chartered in May, 1849. It was leased for 99 years from July 1, 1892, to The New York, New Haven & Hartford Railroad Company for the interest on its bonds and 5% on its capital stock. In October, 1905, the Danbury & Norwalk Railroad Company was merged into The New York, New Haven & Hartford Railroad Company, the latter at that time assuming all its funded obligations.

These bonds are considered a legal investment for savings banks in New England.

DANBURY & NORWALK RAILROAD

General Mortgage 5s

Dated March 31, 1883

Maturing April 1, 1925

Interest payable April 1 and October 1 at New Haven.

Coupon bonds of \$1,000.

Authorized \$150,000

Outstanding \$150,000

Per mile . . . 4,150

Security: The above bonds are secured by a second mortgage on the company's line from Danbury, Conn., to tidewater on Long Island Sound and branches, 29.59 miles, together with all lands, buildings, equipment, leases, franchises, and all property now owned or hereafter acquired, together with income and profits.

Trustee: Treasurer of the State of Connecticut.

For history, see page 530.

These bonds are considered a legal investment for savings banks in New Hampshire, Massachusetts, Connecticut and Rhode Island.

DANBURY & NORWALK RAILROAD

First Refunding Mortgage 4s

Dated June 1, 1905

Maturing June 1, 1955

Interest payable June 1 and December 1 at New Haven.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$1,000.

Coupon and registered bonds interchangeable in \$5,000 lots.

Authorized \$350,000

Outstanding \$350,000

Per mile . . . 11,600

Security: The above bonds are secured by a mortgage on the company's line from Danbury, Conn., to tidewater on Long Island Sound, and branches, 29.59 miles, together with all lands, appurtenances and franchises now owned or hereafter acquired.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

These bonds are considered a legal investment for savings banks in New Hampshire, Massachusetts, Connecticut and Rhode Island.

NEW HAVEN & DERBY RAILROAD

Consolidated Mortgage 5s

Dated May 1, 1888

Maturing May 1, 1918

Interest payable May 1 and November 1 at New Haven.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$800,000

Outstanding \$575,000
Per mile . . . 39,500

Security: The above bonds are secured by a mortgage on the company's line from New Haven to Ansonia, Conn., and branch, totalling 14.55 miles, together with all buildings, equipment, franchises and other property now owned or hereafter acquired; also all incomes and profits.

Trustee: Treasurer of the State of Connecticut.

The New Haven & Derby Railroad Company was chartered in May, 1864. Its main line was opened for traffic August 1, 1871. The property of the company was leased to The New York, New Haven & Hartford Railroad Company for 99 years from July 1, 1892, at an annual rental equal to the interest on its bonds and 4% on its capital stock. By a deed dated November 3, 1905, the entire property of the New Haven & Derby Railroad was conveyed to The New York, New Haven & Hartford Railroad Company, the latter assuming all the funded obligations of the lessor.

These bonds are considered a legal investment for savings banks in New England.

PROVIDENCE & SPRINGFIELD RAILROAD

First Gold 5s

Dated July 1, 1892

Maturing July 1, 1922

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$750,000

Outstanding \$750,000
Per mile . . . 27,046

Security: The above bonds are secured by a first mortgage on 27.73 miles of road from Providence to Douglas Junction, Mass.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company.

Trustee: Farmers' Loan & Trust Company, New York.

The Providence & Springfield Railroad Company was organized on January 30, 1857, as the Woonasquatucket Railroad Company, its name being changed to the present title in 1872. On October 30, 1905, it was merged into The New York, New Haven & Hartford Railroad Company.

These bonds are considered a legal investment for savings banks in New England.

NAUGATUCK RAILROAD

First Gold 4s

Dated May 2, 1904

Maturing May 1, 1954

Interest payable May 1 and November 1 at New York, Boston and New Haven.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$5,000.

Authorized \$2,500,000

Outstanding \$2,500,000

Per mile . . . 40,984

Security: The above bonds are secured by a first mortgage on 60.85 miles of road, mainly covering the line from Naugatuck Junction to Winsted, Conn., with branches.

Trustee: Treasurer of the State of Connecticut.

The Naugatuck Railroad Company was chartered in May, 1845, and opened throughout September 24, 1849. In 1887 (April 1) it was leased to The New York, New Haven & Hartford Railroad Company for 99 years at an annual rental equivalent to bond interest and 10% dividends. By a deed dated January 31, 1906, the property of the Naugatuck Railroad Company was conveyed to The New York, New Haven & Hartford Railroad Company, the latter assuming all its funded obligations.

These bonds are considered a legal investment for savings banks in New England.

BOSTON & NEW YORK AIR LINE RAILROAD

First Gold 4s

Dated August 1, 1905

Maturing August 1, 1955

Interest payable February 1 and August 1 at New York, Boston and New Haven.

Coupon bonds of \$1,000, registerable as to principal.

Exchangeable for fully registered bonds in lots of \$5,000.

Authorized \$5,000,000

Outstanding \$3,777,000

Issuable for improvements 1,223,000

Outstanding per mile . . 73,668

Security: The above bonds are secured by a first mortgage on 51.27 miles of road from New Haven to Willimantic, Conn.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company by endorsement.

Trustee: Treasurer of the State of Connecticut.

The Boston & New York Air Line Railroad Company succeeded the New Haven, Middletown, & Willimantic Railroad Company, organized in the State of Connecticut in 1867. On January 30,

1907, it was merged into The New York, New Haven & Hartford Railroad Company, the latter assuming all its funded indebtedness.

These bonds were quoted in 1909 on a 4.03 basis (bid)

1910	4.05
1911	4.07
1912	4.03

These bonds are considered a legal investment for savings banks in New England.

PROVIDENCE TERMINAL COMPANY

First Gold 4s

Dated March 1, 1906

Maturing March 1, 1956

Interest payable March 1 and September 1 at New York, Boston and New Haven.

Coupon bonds of \$1,000.
Registered bonds of \$5,000.

Authorized \$7,500,000

Outstanding \$4,000,000

Security: These bonds are secured by a first mortgage on the entire property of the company, which includes a line of railroad extending from the Union Station, Providence, to a connection with the tracks of the Providence & Worcester Railroad Company (about 3 miles of double track), terminal facilities and passenger station of the above company at Providence, a tunnel 5,061 feet in length, and a drawbridge across the Seekonk River.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company by endorsement.

Trustee: Rhode Island Hospital Trust Company, Providence.

The Providence Terminal Company was incorporated under the laws of the State of Rhode Island in May, 1891, as the New York, Providence & Boston, and the Old Colony Railroad Terminal Company. On July 13, 1904, its name was changed to its present title, and on December 29, 1906, it was merged into The New York, New Haven & Hartford Railroad Company, the latter assuming all its funded debt.

These bonds were quoted in 1909 on a 4.05 basis (bid)

1910	4.07
1911	4.10
December, 1912	4.25

These bonds are considered a legal investment for savings banks in New England.

WORCESTER & CONNECTICUT EASTERN RAILWAY

First Gold 4½%

Dated October 1, 1902

Maturing January 1, 1943

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,100,000

Outstanding \$1,992,000

Provisions of issue: Although the authorized limit of this issue is \$3,100,000, it was stated in the listing application to the New York Stock Exchange that no further bonds would be issued after the above-mentioned \$1,992,000.

Security: The above bonds are secured by a first mortgage on all the property and leases of the company, including a hydraulic electric power plant in the town of Killingly and the leases of the Worcester & Webster, and Webster & Dudley Street Railway Companies and all the stock, and all but \$50,000 of the bonds of these companies. The lines of railroad included in this mortgage are 52 miles in length, and connect the towns of Thompson, Putnam, Killingly, Brooklyn, Plainfield, Sterling, Griswold, and Preston, Conn., and leased lines extend north to Worcester, Mass.

Sinking fund: From 1908 on, a sinking fund of not exceeding 1% of the bonds outstanding is to be annually provided for the redemption of these bonds at a price not higher than a 3¾ basis, upon three weeks' published notice given in December of each year.

Trustee: New York Trust Company, New York.

The Worcester & Connecticut Eastern Railway Company was originally chartered in Connecticut as the Thompson Tramway Company, on April 30, 1901. It took the above name January 24, 1902, and in May, 1904, its name was changed again to The Consolidated Railway Company. This latter company was merged into The New York, New Haven & Hartford Railroad Company May 31, 1907, and its obligations became direct obligations of the latter company at that time.

These bonds were quoted in 1910 on a 4.25 basis (bid)

1911	4.35
December, 1912	4.30

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Rhode Island and Connecticut.

NEW HAVEN STREET RAILWAY

First Gold 5%

Dated September 1, 1893

Maturing September 1, 1913

Interest payable March 1 and September 1 at New York and Boston.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$600,000

Outstanding \$600,000

Security: The above bonds are secured by a first mortgage on all the property, rights and franchises of the New Haven Street Railway Company, including property and franchises of the State

Street Horse and New Haven & Morris Cove Railway Companies; also all railway and property owned by the New Haven Street Railway and all future acquisitions. The company operates a single-track railway thirty miles in length in the towns of New Haven and East Haven, Conn.

Trustee: American Trust Company, Boston.

The New Haven Street Railway was chartered under the laws of Connecticut in 1893. On October 31, 1898, it was consolidated with the Fair Haven & Westville Railway Company and the New Haven & Centerville Street Railway Company under the name of the Fair Haven & Westville Railroad Company, which, in turn, consolidated into The Consolidated Railway Company on May 20, 1904. On May 31, 1907, The New York, New Haven & Hartford Railroad Company acquired The Consolidated Railway, assuming all its debts.

NEW HAVEN STREET RAILWAY

Consolidated Mortgage 5s

Dated June 1, 1894

Maturing June 1, 1914

Interest payable June 1 and December 1 at the American Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$250,000

Outstanding \$250,000

Security: The above bonds are secured by a mortgage on 21.83 miles of street railway in and around New Haven, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: American Trust Company, Boston.

For history, see above.

These bonds are considered a legal investment for savings banks in Rhode Island.

NEW HAVEN & CENTERVILLE STREET RAILWAY

First Mortgage 5s

Dated September 1, 1893

Maturing September 1, 1933

Interest payable March 1 and September 1 at New Haven.

Coupon bonds of \$1,000.

Authorized \$625,000

Outstanding \$283,000
Per mile . . . 55,000

Security: The above bonds are secured by a first mortgage on 5.11 miles of the company's traction lines in and around New Haven, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

The New Haven & Centerville Street Railway Company was consolidated into the Fair Haven & Westville Street Railroad October 31, 1898. The latter, in turn, was merged with The Consolidated Railway Company on May 20, 1904. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

MERIDEN HORSE RAILROAD

Consolidated Mortgage 5s

Dated January 1, 1894

Maturing January 1, 1924

Interest payable January 1 and July 1 at Girard Trust Company, Philadelphia.

Coupon bonds of \$1,000.

Authorized \$500,000

Outstanding \$415,000

Per mile . . . 20,700

Security: The above bonds are secured by a mortgage on the company's property including 20.3 miles of traction lines extending from Meriden to Wallingford, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Girard Trust Company, Philadelphia.

The Meriden Horse Railroad Company was succeeded by the Meriden Electric Railroad Company, which was merged with The Consolidated Railway Company on June 27, 1904. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

NORWICH STREET RAILWAY

First Mortgage 5s

Dated October 2, 1893

Maturing October 2, 1923

Interest payable April 1 and October 1 at the American Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$350,000

Outstanding \$350,000
Per mile . . . 20,500

Security: The above bonds are secured by a first mortgage on the entire property of the Norwich Street Railway, including 17 miles of traction lines situated in the City of Norwich, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: American Trust Company, Boston.

The Norwich Street Railway Company was merged with The Consolidated Railway Company September 29, 1904. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

MONTVILLE STREET RAILWAY

First Mortgage 5s

Dated May 1, 1900

Maturing May 1, 1920

Interest payable May 1 and November 1 at the American Trust Company, Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$350,000

Outstanding \$250,000
Per mile . . . 25,000

Security: The above bonds are secured by a first mortgage on the entire property of the Montville Street Railway Company, including 10.46 miles of traction lines extending from Norwich to New London, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: American Trust Company, Boston.

The Montville Street Railway Company was merged September 29, 1904, with The Consolidated Railway Company, which, in turn, was taken over by The New York, New Haven & Hartford Railroad Company on May 31, 1907, the latter assuming all its funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

NEW LONDON STREET RAILWAY

First Mortgage 5s

Dated October 2, 1893

Maturing October 2, 1923

Interest payable April 1 and October 1 at the American Trust Company, Boston.

Coupon bonds of \$1,000.

Authorized \$150,000

Outstanding \$150,000

Per mile . . . 24,000

Security: The above bonds are secured by a first mortgage on the property of the New London Street Railway including 6.26 miles of traction line situated in New London, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: American Trust Company, Boston.

The New London Street Railway Company was consolidated with The Consolidated Railway Company on October 22, 1904. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

MIDDLETOWN HORSE RAILROAD

First Mortgage 5s

Dated December 1, 1894

Maturing December 1, 1914

Interest payable June 1 and December 1 at Middletown, Conn.

Coupon bonds of \$500.

Authorized \$150,000

Outstanding \$150,000

Per mile . . . 21,000

Security: The above bonds are secured by a first mortgage, subject to the lien of the Portland Street Railway First 5s of 1916, on 7.01 miles of traction lines belonging to the Middletown Horse Railroad Company extending from Middletown to Portland, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

The Middletown Horse Railroad Company was merged November 28, 1904, with The Consolidated Railway Company. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

PORTLAND STREET RAILWAY

First Mortgage 5s

Dated November 1, 1896

Maturing November 1, 1916

Interest payable May 1 and November 1 at Middletown, Conn.

Coupon bonds of \$500.

Authorized \$75,000

Outstanding \$30,000

Per mile . . . 10,700

Security: The above bonds are secured by a first mortgage on the company's line 2.8 miles, situated in Portland, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

The Portland Street Railway Company was consolidated into the Middletown Horse Railroad Company January 12, 1898. For history of the latter, see page 539.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

HARTFORD, MANCHESTER & ROCKVILLE TRAMWAY COMPANY

First Mortgage 5s

Dated October 1, 1894

Maturing October 1, 1924

Interest payable April 1 and October 1 at the City Bank, Hartford.

Coupon bonds of \$1,000.

Authorized \$300,000

Outstanding \$200,000

Per mile . . . 11,800

Security: The above bonds are secured by a first mortgage on 17 miles of the company's road.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

The Hartford, Manchester & Rockville Tramway Company was merged on March 26, 1906, into The Consolidated Railway Company. On May 31, 1907, The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company, assuming at that time all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

HARTFORD STREET RAILWAY

First Gold 4s

Dated September 1, 1900

Maturing September 1, 1930

Interest payable March 1 and September 1 at New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$2,500,000

Provisions of issue: Although \$3,000,000 is the authorized limit of this issue, it was stated in the listing application to the New York Stock Exchange that no more bonds would be issued than the above.

Security: The above bonds are secured by a first mortgage on all the property, rights and franchises of the company now owned or hereafter acquired, including the street railway line in Hartford, Conn., and between the towns of Hartford, Wethersfield, Newington, West Hartford, Bloomfield, Windsor, and South Windsor, Conn., in all about 76 miles.

Trustee: Treasurer of the State of Connecticut.

The Hartford Street Railway Company was chartered under the laws of the State of Connecticut July 1, 1862, as the Hartford & Wethersfield Horse Railroad Company. The name was changed to its present title in 1893. On September 19, 1905, it was consolidated into The Consolidated Railway Company, which, in turn, was merged into The New York, New Haven & Hartford Railroad Company on May 31, 1907. At that time, the latter assumed all the funded indebtedness of The Consolidated Railway Company, including the above issue.

These bonds are considered a legal investment for savings banks in Rhode Island.

HARTFORD STREET RAILWAY

Debenture 4s

Series "M"

Dated September 1, 1900

Maturing January 1, 1930

Interest payable January 15 and July 15 at New Haven.

Coupon bonds of \$1,000.

Authorized \$165,000

Outstanding \$165,000

Security: The above bonds are a direct obligation of the Hartford Street Railway, but are not secured by a mortgage.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

For history, see above.

GREENWICH TRAMWAY COMPANY

First Mortgage 5s

Dated July 1, 1901

Maturing July 1, 1931

Interest payable January 1 and July 1 at the New York Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$400,000

Outstanding \$320,000

Per mile . . . 35,000

Security: The above bonds are secured by a first mortgage on the company's property, including 9.1 miles of traction lines extending from the New York State Line to Stamford, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: New York Trust Company, New York.

The Greenwich Tramway Company was consolidated with The Consolidated Railway Company on September 19, 1905. The New York, New Haven & Hartford Railroad Company took over the property of The Consolidated Railway Company May 31, 1907, assuming all the latter's funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

BRANFORD ELECTRIC COMPANY

First Mortgage 5s

Dated October 1, 1897

Maturing October 1, 1937

Interest payable April 1 and October 1 at the New Haven Trust Company, New Haven.

Coupon bonds of \$1,000.

Authorized \$100,000

Outstanding \$63,000

Per mile . . . 12,000

Security: The above bonds are secured by a first mortgage on 5.15 miles of road extending from East Haven to Branford, Conn., the property of the Branford Light & Water Company.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: New Haven Trust Company, New Haven.

The Branford Electric Company was chartered in 1895, and its name was subsequently changed to the Branford Light & Water Company. The latter company was merged into The Consolidated Railway Company September 19, 1905. The New York, New Haven & Hartford Railroad Company

took over the property of The Consolidated Railway Company on May 31, 1907, assuming at the same time all the latter's funded indebtedness.

These bonds are considered a legal investment for savings banks in Rhode Island.

TORRINGTON & WINCHESTER STREET RAILWAY

First Mortgage 5s

Dated December 1, 1897

Maturing December 1, 1917

Interest payable June 1 and December 1 at Winsted, Conn.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$150,000

Outstanding \$150,000

Per mile . . . 12,500

Security: The above bonds are secured by a first mortgage on 12.4 miles of the company's electric road extending from Torrington to Winchester, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

The Torrington & Winchester Street Railway Company was consolidated with The New York, New Haven & Hartford Railroad Company on June 28, 1907, at which time the latter assumed all its funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

MERIDEN, SOUTHTON & COMPOUNCE TRAMWAY COMPANY

First Mortgage 5s

Dated August 15, 1898

Maturing July 1, 1928

Interest payable January 1 and July 1 at the Trust Company of America, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$200,000

Outstanding \$175,000

Per mile . . . 15,000

Security: The above bonds are secured by a first mortgage on the company's line extending from Meriden to Lake Compounce and Plainville, Conn., 11.64 miles.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Trust Company of America, New York.

The Meriden, Southington & Compounce Tramway Company was consolidated with The New York, New Haven & Hartford Railroad Company on June 28, 1907, at which time the latter assumed all its funded obligations.

These bonds are considered a legal investment for savings banks in Rhode Island.

PAWTUXET VALLEY RAILROAD

First Mortgage 4s

Dated April 1, 1900

Maturing April 1, 1925

Interest payable April 1 and October 1 at New Haven.

Coupon bonds of \$1,000.

Authorized \$160,000

Outstanding \$160,000

Per mile . . . 28,000

Security: The above bonds are secured by a first mortgage on the road of the company from Pontiac to Hope, R. I., 5.67 miles.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trnstee: Treasurer of the State of Connecticut.

The Pawtuxet Valley Railroad was chartered August 27, 1872, and was opened for traffic August 1, 1874. It was leased to the New York, Providence & Boston Railroad Company for 99 years from July 1, 1884, at an annual rental of interest on the company's bonds, 7% on its capital stock, and other charges. This lease was assigned to The New York, New Haven & Hartford Railroad Company upon the merger of the New York, Providence & Boston Railroad Company with it in 1893.

On April 16, 1907, the Pawtuxet Valley Railroad Company was formally consolidated with The New York, New Haven & Hartford Railroad Company, the latter assuming all its funded obligations.

These bonds are considered a legal investment for savings banks in New England, except Massachusetts.

THE NEW ENGLAND RAILROAD

Consolidated Gold 4s and 5s

Dated September 2, 1895

Maturing July 1, 1945

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$17,500,000

Outstanding (4s) \$10,000,000

(5s) 7,500,000

Per mile . . . 48,200

Security: The above bonds are a direct mortgage on the franchises, railroad totalling 363.15 miles, and other property of the company, and subject only to the New York & New England Railroad Boston Terminal First 4s of 1939 on certain property in Boston, Mass. The company owns 213 miles of road extending from Boston, Mass., to Hopewell Junction, N. Y., also valuable terminal property at Boston comprising docks, wharves, a grain elevator, freight houses, and yards.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company.

Trustee: Manhattan Trust Company, New York.

The New England Railroad was chartered August 28, 1895, as the successor to the New York & New England Railroad Company, whose property was sold under foreclosure. On April 1, 1908, The New England Railroad Company was merged into The New York, New Haven & Hartford Railroad Company, the latter assuming all its funded indebtedness.

The 4s of 1945 were quoted in 1909 on a 4.00 basis (bid)

1910	4.05
1911	4.04
1912	4.05

The 5s of 1945 were quoted in 1909 on a 4.10 basis (bid)

1910	4.12
1911	4.15
December, 1912	4.35

These bonds are considered a legal investment for savings banks in New England.

THE STAFFORD SPRINGS STREET RAILWAY

First Mortgage 5s

Dated January 1, 1907 Maturing July 1, 1956

Interest payable January 1 and July 1 at New Haven.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$5,000.

Authorized \$500,000 Outstanding \$400,000
Per mile . . . 31,000

Security: The above bonds are secured by a first mortgage on 12.9 miles of the company's road from Rockville to Stafford Springs, Conn.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad.

Trustee: Treasurer of the State of Connecticut.

The Stafford Springs Street Railway Company was consolidated with The New York, New Haven & Hartford Railroad Company on June 30, 1908, at which time the latter assumed all its funded obligations.

NEW HAVEN & NORTHAMPTON COMPANY

Refunding Consolidated 4s

Dated June 1, 1906 Maturing June 1, 1956

Interest payable June 1 and December 1 at New Haven.

Coupon bonds of \$1,000, registerable as to principal.
Exchangeable for registered bonds in lots of \$5,000.

Authorized \$10,000,000 Outstanding \$2,400,000
Per mile . . . 19,000

Provisions of issue: The above bonds were originally issued as follows: \$3,900,000 to reimburse The New York, New Haven & Hartford Railroad Company for certain bond issues, and the remainder, \$6,100,000, to cover the cost of past and future double tracking, eliminating grade crossings, widening and deepening the East Cut at New Haven and otherwise improving the road.

Security: The above bonds are secured by a first mortgage on 127 miles of road; in part, the line from New Haven, Conn., to Shelburne Junction, Mass., together with all the property of the company now owned or hereafter acquired.

Guarantee: These bonds were ASSUMED by The New York, New Haven & Hartford Railroad Company.

Trustee: Treasurer of the State of Connecticut.

The New Haven & Northampton Company was chartered under the laws of Massachusetts and Connecticut in 1836, and was leased for 99 years from 1887 to The New York, New Haven &

Hartford Railroad Company, into which it was merged on October 26, 1910. At that time the latter assumed all its funded indebtedness.

These bonds were quoted in 1909 on a 4.05 basis (bid)

1910	4.05
1911	4.10
December, 1912	4.25

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Connecticut.

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

Convertible Debenture 6s

Dated January 15, 1908

Maturing January 15, 1948

Interest payable January 15 and July 15 at New York and Boston.

Coupon bonds of \$1,000, registerable as to principal.

Registered bonds of \$100, \$1,000 and \$10,000.

Authorized \$39,029,600

Outstanding \$39,029,000

Security: The above bonds are not secured by a mortgage, but are a direct obligation of the company. These debentures provide, so far as may be, that if this company shall hereafter create any mortgage on its now existing main line of railroad between Woodlawn, N. Y., and Springfield, Mass., or between New Haven, Conn., and Providence, R. I., such debentures shall be entitled to share in the security of such mortgage *pro rata*. These debentures also provide that the holders shall enjoy the right to subscribe to any issue of capital stock to the same extent as the stockholders.

Convertibility: These bonds are convertible into the stock of the company after January 15, 1923, and not later than January 15, 1948, at the rate of one share of stock for each \$100 of the principal amount of these bonds.

These bonds sold in 1908 on a 4.10 to 5.10 basis

1909	3.75	4.25
1910	4.15	4.35
1911	4.15	4.50
1912	4.25	4.70

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Connecticut.

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

Convertible Debenture 3½% Certificates

Dated January 1, 1906

Maturing January 1, 1956

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$100, \$500 and \$1,000.

Exchangeable for registered certificates of \$5,000.

Authorized \$30,000,000

Outstanding \$10,416,300

Provisions of issue: Of the total amount authorized, \$10,416,300 are outstanding as above, and the balance, \$19,583,700, has been exchanged for capital stock of the company.

Security: The above bonds are not secured by a mortgage, but are a direct obligation of the company. These debentures were issued to provide for the retirement of coupon notes amounting to \$12,100,000, and to furnish further funds to bring the property up to the necessary standard of efficiency.

Convertibility: These bonds are convertible into the stock of the company between January 1, 1911, and January 1, 1916, at the rate of one share of \$100 capital stock for each \$150 (face value) of these certificates.

Registrar: Second National Bank, New Haven.

These bonds sold in 1908 on a 3.50 to 4.35 basis

1909	3.07	3.62
1910	3.37	3.65
1911	3.48	4.05
1912	3.75	4.20

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts and Connecticut.

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

1. Non-Convertible Debenture 4s

Dated February 1, 1904

Maturing February 1, 1914

Interest payable February 1 and August 1, at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.

Non-interchangeable.

Authorized \$5,000,000

Outstanding \$5,000,000

The above bonds were sold in 1909 on a 4.22 basis (bid)

1910	4.40
1911	4.35
1912	4.62 (bid)

2. Non-Convertible Debenture 4s

Dated March 1, 1897

Maturing March 1, 1947

Interest payable March 1 and September 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$5,000,000

Outstanding \$5,000,000

The above bonds were sold in 1909 on a 4.27 basis (bid)

1910	4.25
1911	4.35
1912	4.55 (bid)

3. Non-Convertible Debenture 3½s

Dated March 1, 1901

Maturing March 1, 1947

Interest payable March 1 and September 1, at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$5,000,000

Outstanding \$5,000,000

The above bonds were sold in 1909 on a 4.25 basis

1910	4.40
1911	4.40
1912	4.75 (bid)

4. Non-Convertible Debenture 3½s

Dated April 1, 1904

Maturing April 1, 1954

Interest payable April 1 and October 1, at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$10,000,000

Outstanding \$10,000,000

The above bonds were sold in 1909 on a 4.27 basis (bid)

1910	4.30 to 4.50
1911	4.35 4.55
1912	4.55 (asked)

5. Non-Convertible Debenture 4s

Dated July 1, 1905

Maturing July 1, 1955

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$15,000,000

Outstanding \$15,000,000

The above bonds were sold in 1909 on a 4.15 basis

1910	4.15 to 4.35
1911	4.30 4.35
1912	4.40 4.55

6. Non-Convertible Debenture 4s

Dated May 1, 1906

Maturing May 1, 1956

Interest payable May 1 and November 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$15,000,000

Outstanding \$15,000,000

The above bonds were sold in 1909 on a 4.15 to 4.25 basis

1910	4.22	4.32
1911	4.27	4.40
1912	4.35	4.55

Security: These bonds are not secured by mortgage, but are direct obligations of The New York, New Haven & Hartford Railroad Company.

Listed: New York Stock Exchange.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Connecticut, with the exception of the Debenture 4s of 1956. They are legal for savings banks in Massachusetts.

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

One-Year 5% Coupon Notes

Dated December 2, 1912

Maturing December 1, 1913

Interest payable June 1 and December 1 at New York.

Coupon notes of \$5,000 and multiples.

Authorized \$40,000,000

Outstanding \$40,000,000

Security: These notes are a direct obligation of The New York, New Haven & Hartford Railroad Company, but are not secured by a mortgage.

These notes were issued to retire \$30,000,000 one-year notes maturing January 15, 1913. They were offered by J. P. Morgan & Co. at 99½ in December, 1912.

THE NEW YORK, NEW HAVEN & HARTFORD RAILROAD

European Loan Debenture 4s

Dated April 1, 1907

Maturing April 1, 1922

Interest payable April 1 and October 1 at Paris, London, Berlin, Hamburg and Amsterdam.

Coupon bonds of 500 francs and £19.15.6 and multiples.

Authorized \$27,985,000

Outstanding \$27,985,000

Security: These bonds are a direct obligation of The New York, New Haven & Hartford Railroad Company, but are not secured by a mortgage.

Listed: Boston Stock Exchange.

THE CONSOLIDATED RAILWAY

1. Non-Convertible Debenture 4s, 3½s, and 3s

Dated February 1, 1905

Maturing February 1, 1930

Interest payable February 1 and August 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.

Non-interchangeable.

Authorized \$1,000,000

Outstanding \$972,000

These debentures bear 3% interest until February 1, 1910, 3½% interest until February 1, 1915, and thereafter 4% interest until maturity.

2. Non-Convertible Debenture 4s

Dated July 1, 1904

Maturing July 1, 1954

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.

Non-interchangeable.

Authorized \$5,000,000

Outstanding \$4,225,000

\$745,000 have been retired and cancelled.

3. Non-Convertible Debenture 4s

Dated January 2, 1905

Maturing January 1, 1955

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.

Non-interchangeable.

Authorized \$4,000,000

Outstanding \$2,309,000

\$1,691,000 have been retired and cancelled.

4. Non-Convertible Debenture 4s

Dated April 1, 1905

Maturing April 1, 1955

Interest payable April 1 and October 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$3,500,000

Outstanding \$1,340,000

\$2,159,000 have been retired and cancelled.

5. Non-Convertible Debenture 4s

Dated January 1, 1906

Maturing January 1, 1956

Interest payable January 1 and July 1 at New York and Boston.

Coupon bonds of \$1,000. Registered bonds of \$10,000.
Non-interchangeable.

Authorized \$10,000,000

Outstanding \$2,011,000

\$7,989,000 have been retired and cancelled.

Security: The above bonds are not secured by mortgage, but are direct obligations of The New York, New Haven & Hartford Railroad Company. The Consolidated Railway Company agrees that if it shall hereafter mortgage any of its property and franchises owned on the date of the issue of these debentures, except to renew existing mortgages, these debentures shall participate in the security of such a mortgage *pro rata*.

Listed: New York Exchange.

The Consolidated Railway Company was organized under the laws of the State of Connecticut August 31, 1901, as the Thompson Tramway Company. Its name was changed January 29, 1902, to the Worcester & Connecticut Eastern Railway Company. Its present title was incorporated May 18, 1904.

On May 31, 1907, it was merged into The New York, New Haven & Hartford Railroad Company. At that time the latter assumed all the funded indebtedness of The Consolidated Railway Company, including the above issues.

OLD COLONY RAILROAD

1. Plain 4s

Dated January 1, 1888

Maturing January 1, 1938

Interest payable January 1 and July 1 at Boston.

Registered bonds of \$1,000.

Authorized \$4,000,000

Outstanding \$4,000,000

2. Plain 4s

Dated February 1, 1894

Maturing February 1, 1924

Interest payable February 1 and August 1 at Boston.

Coupon bonds of \$1,000 and \$5,000, fully registerable.

Registered bonds of \$1,000 and \$5,000.

Authorized \$3,000,000

Outstanding \$3,000,000

3. Plain 4s

Dated December 1, 1895

Maturing December 1, 1925

Interest payable June 1 and December 1 at Boston.

Coupon bonds of \$1,000 and \$5,000.

Registered bonds of \$1,000 and \$5,000.

Outstanding \$5,598,000

4. Plain 3½s

Dated July 1, 1902

Maturing July 1, 1932

Interest payable January 1 and July 1 at Boston.

Coupon bonds of \$1,000.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000

Security: The above bonds are a direct obligation of the Old Colony Railroad Company, but are not secured by mortgage.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Listed: Boston Stock Exchange.

The Old Colony Railroad Company was incorporated in March, 1844, under the laws of Massachusetts. The present company, a consolidation of various small lines acquired at different periods, was leased February 15, 1893, for 99 years to The New York, New Haven & Hartford Railroad Company, at an annual rental of 7% on the company's capital stock and the assumption of all the funded obligations of the company.

These bonds are considered a legal investment for savings banks in New England.

BOSTON & PROVIDENCE RAILROAD

Plain 4s

Dated July 1, 1888

Maturing July 1, 1918

Interest payable January 1 and July 1 at Boston.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$2,170,000

Security: The above bonds are a direct obligation of the Boston & Providence Railroad Corporation, but are not secured by a mortgage.

These bonds have been ASSUMED by The New York, New Haven & Hartford Railroad Company.

Listed: Boston Stock Exchange.

The Boston & Providence Railroad Corporation was incorporated July 22, 1831, under the laws of Massachusetts. It was completed and opened for traffic in August, 1835. From April 1, 1888, for 99 years it was leased to the Old Colony Railroad Company at an annual rental equivalent to 10% on its capital stock, interest on its bonds, and organization expenses. This lease was assumed by The New York, New Haven & Hartford Railroad when it leased the Old Colony Railroad in 1893.

These bonds were quoted December, 1912, on a 4.37 basis (bid).

These bonds are considered a legal investment for savings banks in New Hampshire, Massachusetts, Connecticut and Rhode Island.

PROVIDENCE & WORCESTER RAILROAD

First Mortgage 4s

Dated June 1, 1897

Maturing October 1, 1947

Interest payable April 1 and October 1 at the Rhode Island Hospital Trust Company, Providence.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$1,500,000

Security: The above bonds are secured by a first mortgage on the entire property of the Providence & Worcester Railroad, including railroad, buildings, equipment, franchises, income and profits.

These bonds have been GUARANTEED as to INTEREST by The New York, New Haven & Hartford Railroad Company under terms of its lease.

Trustee: Rhode Island Hospital Trust Company, Providence.

The Providence & Worcester Railroad Company was incorporated in May, 1844, under the laws of Rhode Island and Massachusetts. It was leased to The New York, New Haven & Hartford Rail-

road Company for 99 years from July 1, 1892, at an annual rental of 10% on its stock, interest on its funded indebtedness and \$6,000 for organization expenses. Of its \$3,500,000 capital stock, The New York, New Haven & Hartford Railroad Company owns \$749,500.

These bonds were quoted December, 1912, on a 4.15 basis (bid).

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Massachusetts, Connecticut and Rhode Island.

NORWICH & WORCESTER RAILROAD

Debenture 4s

Dated March 1, 1897

Maturing March 1, 1927

Interest payable March 1 and September 1 at Boston.

Coupon bonds of \$1,000.
Registered bonds of \$1,000.

Authorized \$2,000,000

Outstanding \$1,200,000

The unissued balance of these bonds has been reserved for improvements and betterments with restrictions.

Security: The above bonds are a direct obligation of the Norwich & Worcester Railroad Company, but are not secured by a mortgage.

These bonds are GUARANTEED as to INTEREST by The New York, New Haven & Hartford Railroad Company under the terms of its lease.

The Norwich & Worcester Railroad Company was incorporated June 22, 1836, under the laws of Massachusetts and Connecticut as the consolidation of the Worcester & Norwich Railroad and the Boston, Norwich & New London Railroad Companies. It was leased to The New England Railroad Company from February 9, 1869, for 99 years, at an annual rental equivalent to 8% on the company's capital stock, and interest on its bonds. This lease was assumed by The New York, New Haven & Hartford Railroad Company at the time of the merging of The New England Railroad Company into its system.

These bonds are considered a legal investment for savings banks in Massachusetts, Connecticut and Rhode Island.

CONNECTICUT RAILWAY & LIGHTING COMPANY

First & Refunding Gold 4½s

Dated January 1, 1901

Maturing January 1, 1951

Interest payable January 1 and July 1 at the Equitable Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$15,000,000

Outstanding \$12,551,000

- Security:** The above bonds are secured by a mortgage on all the franchises, real estate, plants, and all other property of the company now owned or hereafter acquired, and are subject only to \$309,000 Connecticut Light & Power 5s of 1939, \$706,000 Bridgeport Traction Company 5s of 1923, and \$59,700 Derby Street Railway 5s of 1914. The company covenants to deliver to the trustee hereunder all shares of stock purchased with the proceeds of these bonds, and at the present time has deposited with the trustee \$4,380,146 of such securities.
- Guarantee:** The above bonds are "stamped" with a guarantee as to interest by the United Gas Improvement Company. These "stamped bonds" are redeemable at 105 and interest.
- Sinking fund:** The United Gas Improvement Company agrees to pay the trustee on the first day of July, 1905, and on each July 1 thereafter until and including July 1, 1950, a sum equal to one-half of 1%, and on December 31, 1950, a sum equal to one-fourth of 1% of the bonds outstanding whether or not in the sinking fund, such payments to be held by the trustee for the benefit of the "stamped" guaranteed bonds.
- Property:** The railway properties of the company, all the lines of which are operated by electricity, are in three divisions: the New Britain Division, connecting New Britain, Newington, Plainville, Southington, and Berlin; the Waterbury Division, connecting Waterbury, Southington, Mt. Carmel, and Seymour; and the Bridgeport Division, connecting Bridgeport, Seymour, Woodmont, Darien, and Stamford. The company owns one complete gas works at Norwalk, a holder and distribution system in Naugatuck and Greenwich, and two manufacturing plants completely equipped with a total capacity of 3,240,000 cubic feet per day. The towns and municipalities served by this department of the company are East Portchester, Greenwich, Norwalk, New Canaan, Waterbury, Watertown, Naugatuck, Cheshire, New Britain, Southington, Plainville, and Berlin.
- Trustee:** Equitable Trust Company, New York.

The Connecticut Railway & Lighting Company was chartered in 1895 as the Gas Supply Company, its charter later being amended, changing its name to the Connecticut Lighting & Power Company. On January 10, 1901, its present title was adopted. The company leased all its property to The Consolidated Railway Company on December 19, 1906, for 999 years. The Consolidated Railway during the following year merged into The New York, New Haven & Hartford Railroad Company.

These bonds sold in 1909 on a 4.35 basis (bid)

1910	4.375
1911	4.40
December, 1912	4.55 (bid)

CONNECTICUT LIGHTING & POWER COMPANY

First Mortgage 5s

Dated January 1, 1899

Maturing January 1, 1939

Interest payable January 1 and July 1 at Bridgeport.

Coupon bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$209,000

For history, see page 556.

BRIDGEPORT TRACTION COMPANY

First Mortgage 5s

Dated July 1, 1893

Maturing July 1, 1923

Interest payable January 1 and July 1 at Redmond & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$706,000

Security: The above bonds are secured by a first mortgage on 53 miles of track in Bridgeport and connecting lines.

Trustee: Fidelity Trust Company, Newark, N. J.

The two issues above are the obligations of the Connecticut Railway & Lighting Company, which was incorporated as the Gas Supply Company, July 2, 1895, in Connecticut. The company assumed its present title January 10, 1901. It was leased for 999 years from December 19, 1906, to The Consolidated Railway Company, which was absorbed by The New York, New Haven & Hartford Railroad Company May 31, 1907.

CENTRAL NEW ENGLAND RAILWAY

First Gold 4s

Dated January 1, 1911

Maturing January 1, 1961

Interest payable January 1 and July 1 at New York.

Coupon bonds of \$1,000, registerable as to principal.
Exchangeable for registered bonds of \$10,000.

Authorized \$25,000,000

Outstanding \$11,957,000
Per mile . . . 87,058

Provisions of issue: Of the total amount authorized \$11,957,000 are outstanding as above, \$287,000 have been reserved to retire Dutchess County First 4½s, and the balance, \$12,856,000, has been reserved for extensions, improvements and additions up to 25% of cost.

Security: The above bonds are a direct obligation of the company, and are secured by a first mortgage on 137 miles of road including the Poughkeepsie Bridge across the Hudson, which alone cost upwards of \$7,000,000. The bonds are further secured by a first mortgage on all the property which may be secured, constructed, and improved with the proceeds of these bonds.

The above bonds are GUARANTEED as to PRINCIPAL and INTEREST by The New York, New Haven & Hartford Railroad Company by endorsement.

Redemption: They are redeemable at 105 and interest after January 1, 1921, upon six weeks' notice.

Trustee: Farmers' Loan & Trust Company, New York.

The Central New England Railway Company was chartered January 12, 1899, as the successor to the Philadelphia, Reading and New England Railroad Company. It is controlled by The New York, New Haven & Hartford Railroad Company through ownership of substantially all its capital stock, but is operated independently.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

NEW YORK, WESTCHESTER & BOSTON RAILWAY

First Gold 4½s

Dated July 1, 1911

Maturing July 1, 1946

Interest payable January 1 and July 1 at New York and London.

Coupon bonds of \$1,000, £100 and £200, registerable as to principal.
Registered bonds of \$1,000 and multiples.
Coupon and registered bonds interchangeable.

Authorized \$60,000,000

Outstanding \$19,200,000

Provisions of issue: Of the total amount authorized \$19,200,000 are outstanding as above, and the balance, \$40,800,000, has been reserved for additional construction, betterments and improvements to the mortgaged property.

Security: The above bonds are a direct obligation of the company and are secured by a first mortgage on its entire property, which represented June 30, 1912, an investment by The New York, New Haven & Hartford Railroad Company of about \$30,000,000.

These bonds are **GUARANTEED** as to **PRINCIPAL** and **INTEREST** by The New York, New Haven & Hartford Railroad Company by endorsement.

Redemption: They are redeemable at 110 and interest on any interest date in amounts not less than \$5,000,000.

Property: The company's line extends from the Harlem River, at about Willis Avenue, New York, through the Bronx and Westchester County to Mt. Vernon, where the line diverges, one line extending to New Rochelle and White Plains, and the other extending to the east, to the Connecticut State Line at Port Chester. Of the total miles of track, 74.54, 50.57 miles are owned in fee, the company having perpetual rights to operate over the additional 24 miles.

The New York, Westchester & Boston Railway Company was formed January 19, 1910, under the railroad laws of New York, and under a special act of the legislature as a consolidation of an older company by the same name and the New York & Port Chester Railroad Company. Of the \$5,000,000 stock of the company, The New York, New Haven & Hartford Railroad Company owns all but 204 shares.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

PROVIDENCE SECURITIES COMPANY

Debenture Gold 4s

Dated May 1, 1907

Maturing May 1, 1957

Interest payable May 1 and November 1 at New York and New Haven.

Coupon bonds of \$1,000, registerable as to principal.
Registered bonds of \$10,000.

Authorized \$19,911,000

Outstanding \$19,180,000

Security: The above bonds are direct obligations of the company, but are not secured by a mortgage.

They are **GUARANTEED** as to **PRINCIPAL** and **INTEREST** by The New York, New Haven & Hartford Railroad Company by endorsement.

Redemption: The above bonds are redeemable at 105 and interest on any interest date beginning May 1, 1917, upon eight weeks' notice.

The Providence Securities Company was incorporated in Connecticut in 1883 under the name of the New England Loan & Trust Company, its name being changed to that of the present title on January 11, 1907. It was created in the interests of The New York, New Haven & Hartford Railroad Company to acquire all the stocks and bonds of the Rhode Island Securities Company, which controls, through the Rhode Island Company, a system of 279 miles of street railways operated

in the State of Rhode Island under perpetual franchises. The entire capital stock of the Providence Securities Company is owned by The New York, New Haven & Hartford Railroad Company.

These bonds sold in 1907 on a 4.50 to 4.80 basis

1909	4.85	(bid)
1910	4.50	to 4.875
1911	4.65	4.85
December, 1912	5.05	(bid)

BOSTON TERMINAL COMPANY

First Gold 3½%

Dated February 1, 1897

Maturing February 1, 1947

Interest payable February 1 and August 1 on coupon bonds,
at the State National Bank, Boston.

Interest payable February 1, May 1, August 1 and November 1, on the registered bonds.

Coupon bonds of \$1,000, exchangeable for registered bonds.
Registered bonds of \$1,000 and multiples.

Authorized \$14,500,000

Outstanding \$14,500,000

Security: The above bonds are a direct obligation of the company and are secured by a first mortgage on the South Terminal Station, Boston, and a large tract of railroad yards used by The New York, New Haven & Hartford Railroad, The New England Railroad, Providence & Boston Railroad, Boston & Albany Railroad, and the Old Colony Railroad, which companies pay as rental in monthly installments a sum sufficient to cover expenses, interest on the above bonds, and 4% on the stock. The several companies are jointly liable in case of a forfeit.

Trustee: Old Colony Trust Company, Boston.

The Boston Terminal Company was incorporated in Massachusetts in June, 1896, to construct the above-mentioned passenger station for all trains entering Boston on the south. The capital stock of the company (\$500,000) is owned jointly by the five companies which use the station. They pay as rental a sum sufficient to cover interest on the company's bonds, 4% on its capital stock, and all operating expenses.

These bonds sold in 1908 on a 3.42 to 3.50 basis

1909	3.25	3.30
1910	3.70	
1911	3.50	3.57

These bonds are considered a legal investment for savings banks in Massachusetts and Rhode Island.

NARRAGANSETT PIER RAILROAD

First Mortgage 4s

Dated August 1, 1896

Maturing August 1, 1916

Interest payable February 1 and August 1 at Rhode Island Hospital Trust Company, Providence.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$100,000

Outstanding \$70,000

Security: The above bonds are secured by a first mortgage on the entire property of the company.

These bonds have been GUARANTEED as to INTEREST by the Rhode Island Company under the terms of its lease.

Trustee: Rhode Island Hospital Trust Company, Providence.

The Narragansett Pier Railroad Company was chartered in the May Session of the General Assembly of Rhode Island in 1868. It was incorporated April 12, 1875, under the laws of Rhode Island, and the road was opened for traffic July 17, 1876. The property of this company was leased on June 30, 1911, for a term of 99 years to the Rhode Island Company at a rental equal to the interest on the company's funded debt and 4% annually on its outstanding stock.

The Rhode Island Company, chartered in April, 1902, for the purpose of uniting under a single management certain public service corporations of Providence and vicinity, is controlled by The New York, New Haven & Hartford Railroad Company through the ownership of its entire capital stock.

These bonds are considered a legal investment for savings banks in Maine and Massachusetts.

NORTHERN PACIFIC RAILWAY COMPANY

NORTHERN PACIFIC RAILWAY COMPANY

HISTORY

The original charter of the Northern Pacific Railway Company was granted by Congress in 1864, and its construction was begun six years later under the management of Jay Cooke and associates. The section from Duluth to Bismark, on the Missouri River, was completed in 1873, and in that same year Mr. Cooke's banking house failed, precipitating the panic of 1873. The Northern Pacific became involved in its failure and was sold under foreclosure in 1875.

Following the work of Mr. Cooke came that of Henry Villard, who resolutely pushed the work of construction; and, on the 9th of September in 1883, the entire main line from Ashland, Wisconsin, to Portland, Oregon, was thrown open to traffic. As the result of the completion of this line, the new territory thrown open by it developed rapidly. For a few years the growth of traffic, and a corresponding increase in earnings, were beyond even the expectations of its managers. In the early '90s, however, both gross and net earnings declined to such an extent that the road was unable to meet its steadily increasing fixed charges, and receivers were appointed for it upon default of certain interest payments on August 15, 1893, and special receivers were appointed for the leased lines and branches in Montana and other states which comprised the Northern Pacific System.

Under the date of March 16, 1896, a plan of reorganization was promulgated, and upon the assent of practically all the security holders in interest, it was declared operative on April 24 of the same year. The new company was created by the Morgan interests, including the Deutsche Bank of Berlin, and Drexel & Company. Chicago, as an Eastern terminus, was abandoned, entrance to that city having formerly been made over the lines of the Wisconsin Central Railroad, which had been leased for 99 years from April 1, 1890. This lease was cancelled September 27, 1893, owing to a default of the rental charge. It was planned in the reorganization to unite the main line, branches and terminal properties under the direct ownership of a single company instead of several companies as before; to reduce the fixed charges to an amount safely within the average earning power of the road and to provide ample working capital for the future development of the property. The latter was furnished by the Morgan interests and the Deutsche Bank.

In 1900 and 1901 several important acquisitions were made to the company's property, both by construction and consolidation. In July, 1900, the property, lands and assets of the St. Paul & Duluth Railroad Company were taken over by the Northern Pacific, and all its funded indebtedness was thereupon assumed. The property of the Seattle, Lake Shore & Eastern Railway Company, which had formerly been owned by the Northern Pacific Railroad Company, and abandoned in the reorganization, was again acquired, together with the property of the Seattle & International Railway Company. The Spokane & Seattle Railway, an important link with the Great Northern Railway, was absorbed by the Northern Pacific in 1900.

By far the most important acquisition was that of the Chicago, Burlington & Quincy System, made by the Great Northern Railway and the Northern Pacific Railway jointly. Almost the entire capital stock of the Chicago, Burlington & Quincy Railroad was taken over by the two, and in exchange therefor bonds were issued secured by the Burlington stock. The value of this holding to the Northern Pacific is very large, as the assets of the Burlington are growing more and more valuable each year.

On June 1, 1901, the proprietary railroads of this company in the Province of Manitoba, namely, the Northern Pacific & Manitoba Railway, the Portage & Northwestern Railway, were transferred

to the government of Manitoba under a lease for 999 years, the rental being \$210,000 the first ten years, \$225,000 for the second ten years, \$270,000 for the third ten years, and \$300,000 each year thereafter, the lessee having the option of purchasing the property at any time at \$7,000,000.

In August, 1905, the Portland & Seattle Railway Company was incorporated, all the capital stock of which was owned jointly by the Northern Pacific Railway Company and the Great Northern Railway Company. The Portland & Seattle Railway Company began immediately to construct a line from Portland, Oregon, to Spokane, Washington, connecting there with the Northern Pacific and Great Northern Railways, and also completing an extension to Texas Ferry, Washington, which connected with the lines of the Northern Pacific and the Union Pacific Railways. The road was planned with low curvatures, there being few curves as high as three degrees, and with a maximum grade eastbound of but eleven feet to the mile, permitting the handling of large amounts of business, both freight and passenger. On February 1, 1908, the name of the Portland & Seattle Railway Company was changed to that of the Spokane, Portland & Seattle Railway Company.

In 1912 the latter operated 556 miles of road, including 122 miles of road of the Astoria & Columbia Railroad Company merged in March, 1911. In payment for various advances since 1905, the Northern Pacific received during 1911 securities amounting to nearly \$30,000,000, all of which were held in the treasury of the parent company in July, 1912.

One of the most valuable assets of the Northern Pacific Railway Company is its lands, of which on June 30, 1912, 9,962,896 acres remained unsold. These lands are situated in Minnesota, North Dakota, Montana, Idaho, Washington, Oregon and Wyoming.

During the fiscal year of 1912, 177,525 acres were sold, upon which \$1,524,038 was realized. The land contracts on hand to be filled June 30, 1912, aggregated \$4,385,275. During the decade ending 1912 nearly 5,650,000 acres have been sold to bring over \$21,000,000.

PROPERTY

At the close of the fiscal year ending June 30, 1912, the mileage of the Northern Pacific Railway Company and controlled lines, comprising the Northern Pacific Railway System, was as follows:

Mileage owned	6,297.15
Mileage controlled	290.01
Mileage leased	144.31
Mileage used jointly	10.59
Total	6,742.06

Beside the above mileage, the system had 623.86 miles of extra main track, of which 524.99 miles were owned. The average miles operated by the Northern Pacific Railway Company during 1912 were 6,025.09 miles, and this figure is used as the basis of the statistics in this report.

The Northern Pacific System, like that of the Great Northern, extends from Duluth and Minneapolis on the east, westerly across north central Minnesota, through central North Dakota and southern Montana, into Washington, connecting the growing cities of Portland, Olympia, Tacoma and Seattle. The two systems, until the "Puget Sound Line" was built, furnished practically the entire transportation service of the great northwestern part of the United States. The population of the States which the Northern Pacific crosses was, in 1890, 2,050,000; and in 1910, 4,496,000.

CAPITALIZATION

Based on the annual report of the Northern Pacific Railway Company for the fiscal year ending June 30, 1912, its approximate capitalization was as follows:

Capital stock	\$248,000,000
Funded debt	191,365,500
Nominal capital	\$439,365,500
Rentals capitalized @ 5%	10,526,000
Gross capitalization	\$449,891,500
Securities owned	46,619,949
Net capitalization	\$403,271,551
Net capital per mile operated	\$66,933
Average miles operated	6,025.09
Net income to net capital	8.2%
Fixed charges to net income	35.7%
Margin of safety	64.3%

The above table does not include in funded debt \$107,613,500, the Northern Pacific's half of the 4% Collateral Bonds issued for the purchase of the Burlington, but does include the funded debt of the St. Paul & Duluth Railroad, whose obligations were assumed by the Northern Pacific in 1900.

The company paid out for rentals in 1912 over \$526,000, which, capitalized at 5%, covers approximately the capitalization of the leased roads. Among the securities owned are included the stocks and bonds of proprietary, affiliated and controlled companies unpledged, amounting to nearly \$47,000,000. These are deducted in the table above to arrive at the net capitalization.

The net capitalization per mile of road operated was \$66,933, as compared with \$41,874 for the Great Northern and \$57,892 for the Atchison, Topeka & Santa Fe. The average net capital per mile of the three, together with the average ratio of total net income to average net capital for the decade ending June 30, 1912, are given as follows:

Ten years	Net capitalization per mile	Net income to net capital
Northern Pacific	\$68,210	8.4%
Great Northern	36,055	11.2
Atchison	56,020	6.1

It will be seen that the Northern Pacific carried an average net capitalization for the decade equal to almost twice that of the Great Northern, and yet earned over 8% upon it as compared with 11.2% of the other. As far as earning power is concerned, it would not seem that the Northern Pacific was over-capitalized.

The following table is presented, giving the increase in the company's capitalization and gross earnings since 1900:

Year	Capital stock		Funded debt	Total capital	Gross earnings
	Common	Preferred			
1900	\$80,000,000	\$75,000,000	\$171,346,590	\$326,346,590	\$30,021,318
1912	248,000,000	.....	191,365,500	439,365,500	63,423,946
	Increase			113,018,910	33,402,628
	Per cent increase			34%	111%

The stock increases are accounted for as follows. In January, 1902, the preferred stock was retired for an equal amount of common stock. At the stockholders' meeting held on the 7th day of January, 1907, it was resolved "that the capital stock of this corporation be, and the same hereby is, increased by \$95,000,000." This increase was made in order to reimburse the treasury of the company for expenditures already made and to provide for necessary construction, extensions and acquisitions in the future.

The company's funded debt during the past eleven years has risen but \$20,000,000. With a 34% increase in the total capital, it will be seen that gross earnings increased 111%, a truly excellent showing. Of the capitalization, nearly 60% is made up of stock, keeping the fixed charges at a low level. These consumed in 1912 but 35.7% of the total net income, leaving a margin of safety for the interest on the underlying securities of 64.3%.

CHARACTER OF TRAFFIC

The Northern Pacific Railway is one of those which does not give an itemized account of its traffic. The ratio of freight to all traffic in 1912 was 69%. This figure has tended to decline since 1905, when the ratio was as high as 73%. Based on the traffic statistics of the company the following table has been prepared, giving the freight density, train load tons, freight earnings and the average rate per mile per ton since and including 1907:

Year	Freight density	Train load tons	Freight earnings	Average rate per mile per ton
1907	1,011,103	407	48,395,878	\$.0087
1908	915,388	430	46,423,836	.0090
1909	927,613	435	47,073,305	.0089
1910	939,997	429	48,758,736	.0090
1911	806,834	461	43,332,918	.0090
1912	838,370	511	43,793,522	.0087

There appears a discomfoting decline in the number of tons carried one mile per mile of road operated, also a sharp decline in freight earnings during the period, all of which suggests the growing importance of the "Puget Sound Line" as a competitor. Freight earnings decreased over \$5,200,000 in 1911; \$2,000,000 of this decrease was due to less grain handled, and \$1,600,000 to the fact that nearly 10,000 less cars of lumber and shingles were moved, and \$700,000 was due to a decrease in earnings from long haul freight moving from the Mississippi River and points east, to Butte, Spokane, Tacoma and Portland, caused by less construction and expansion of general business. Only a slight improvement is evident in the 1912 figures.

The number of tons of revenue freight per train load, however, has increased by 50 tons, or 10.5%, showing greater efficiency of operation. With an equal operating efficiency during the current year, 1912-1913, together with a bumper crop which is promised, the Northern Pacific should recover very materially from the decline in freight earnings during 1911 and 1912.

Fully one-quarter of the gross business of the Northern Pacific is represented by its passenger traffic. In the past it has been the evident intent of its managers to make the Northern Pacific a tourist route, owing to the beauty of the country through which it passes, and especially to the fact that the grades are in many places somewhat too heavy for profitable freight transportation. Not that a large volume of freight cannot be carried at a profit over the Northern Pacific lines, but that the Great Northern, with lower grades, can handle through freight more profitably.

Following are a few of the more salient passenger statistics of the Northern Pacific for the years 1907 to 1912 inclusive:

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	132,759	75	\$16,924,187	\$.0226
1908	141,018	80	18,133,238	.0228
1909	135,327	74	17,330,608	.0226
1910	169,431	74	21,333,312	.0218
1911	127,609	63	17,278,812	.0228
1912	107,802	54	15,343,752	.0236

During 1911 it will be noted that passenger earnings declined over \$4,000,000. The absence of events like the Alaska-Yukon-Pacific Exposition, which caused the high earning figures of 1910, or the opening of the Flathead, Cœur d'Alene and Spokane Indian Reservations, coupled with lessened business activity, all contributed to this large decrease in earnings.

Passenger density — the number of passengers carried one mile per mile of road operated — was highest in 1910 owing to the Exposition, and even with a much lower rate earnings increased over \$4,000,000 over the figures of 1909. Since 1910 both passenger density and passengers per train carried have steadily declined, the former from 169,431 to 107,802, and the latter from 74 to 54. This decline has been attributed in part to two causes, one the successful competition of the Chicago, Milwaukee & St. Paul for through passenger business, and the other, the growing use of automobiles in the territory served by the company. To meet the competition of the St. Paul, the Northern Pacific and the Chicago & Northwestern Railway began the operation of through trains from Chicago to the Pacific Coast in December, 1911.

EARNINGS

During the past six years the Northern Pacific earned, both gross and net, the following amounts:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	5,444	\$68,534,832	\$12,590	\$30,870,515	\$5,671
1908	5,633	68,235,484	12,112	28,370,450	5,036
1909	5,671	68,460,747	12,071	30,440,742	5,368
1910	5,765	74,525,826	12,927	28,538,420	4,950
1911	5,950	64,912,831	10,908	25,183,071	4,231
1912	6,025	63,423,946	10,526	25,265,430	4,193

Gross earnings, in 1907 the highest ever reported, were equalled during the years 1908 and 1909 in spite of the fact that throughout the Northwest generally business conditions were somewhat depressed. It will be noted, however, that gross earnings increased nearly \$6,000,000 in 1910, due to greater business activity in the territory served by the company's lines. As has been shown above, the Alaska Exposition, held in Seattle from June 1 to October 16, 1909, induced a large passenger movement, and the opening of Indian Reservations within reach of the company's lines, and a very general demand for land all through the country resulted in a large volume of travel.

Taking advantage of the enormous volume of gross earnings in 1910, the company increased very materially its output for maintenance. During that year \$3,000,000 more was spent for maintenance of way than in 1909, the increase being 38%. \$1,150,000 more was charged for upkeep of equipment than in the previous year, or a gain of 15%, and \$3,750,000 additional was required to conduct transportation due primarily to an increase of passenger train mileage of 31%.

In the fiscal year ending June 30, 1911, the Northern Pacific was confronted with a loss of nearly

\$10,000,000 in gross revenue, but in spite of this, the surplus available for dividends was only about \$1,800,000 below 1910, the percentage earned being equal to 8.2% compared with 8.9% in 1910. The important change in the year's results was the curtailment of operating expenses, so that net earnings were but slightly over \$3,000,000 below those of 1910. Considering the fact that the Puget Sound Extension of the Chicago, Milwaukee & St. Paul took some of the traffic which might ordinarily have been the Northern Pacific's, and the fact that the Exhibition traffic of two years ago was counted in the 1910 results, together with the general lassitude which prevailed last year throughout the Northwest, the returns of 1911 do not seem at all as bad as they at first appear to be.

During 1912 earnings declined still further, owing to the quietness of business in the territory served by the company's lines. The years 1911 and 1912 were trying ones, but the first six months of the current year of 1913 has shown material improvements both in earnings and traffic.

MAINTENANCE

To offset the decline in gross earnings of 1911, maintenance figures were scaled down substantially. Maintenance of way charges decreased \$2,777,500, or 21%, and maintenance of equipment charges were reduced \$1,081,000, or 12%. The ability to reduce maintenance expenses reflects the excellent condition of the company's rolling stock and road bed, and was only possible because of the liberal outlays made in 1910.

Following are the amounts which have been spent for maintenance of way and equipment, also figured on a per mile basis, for the years 1907 to 1912 inclusive:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$9,145,546	\$5,542,208	\$14,687,754	\$2,697
1908	8,984,355	8,436,766	17,421,121	3,091
1909	7,847,050	7,845,689	15,692,739	2,766
1910	10,842,955	8,992,137	19,835,092	3,439
1911	8,065,462	7,911,231	15,976,693	2,684
1912	7,861,490	7,207,716	15,069,206	2,500

It is interesting to compare the average traffic density, amounts spent per mile of road, and the per cent of total maintenance to gross of the Northern Pacific, with the Great Northern and the Atchison, Topeka & Santa Fe. The following table shows the average in each case for six years ending June 30, 1912:

	Traffic density	Maintenance per mile	Per cent of maintenance to gross
Northern Pacific	1,042,210	\$2,863	24.1
Great Northern	875,925	2,467	28.6
Atchison, Topeka & Santa Fe	800,140	3,043	30.1

ADDITIONS AND BETTERMENTS

Prior to 1907 large amounts annually were expended from surplus earnings for additions and betterments and for new equipment. During the fiscal year of 1908 \$2,784,000 were appropriated for the Insurance Fund, which had a credit of \$5,542,517 on June 30, 1912. Since 1908 no special appropriation has been made from earnings for this purpose.

The following amounts have been charged to the Capital Account of the Northern Pacific Railway and spent for additions and betterments since 1907:

Year	Amount
1907	\$40,108,180
1908	24,302,672
1909	14,894,753
1910	14,307,262
1911	7,998,105
1912	7,090,271
For six years	\$108,701,243
Average for one year	18,116,874

Beside the above amount the following advances have been made to sundry companies during the past five years:

Year	Amount
1907	\$19,641,440
1908	10,922,158
1909	7,046,395
1910	14,340,357
1911	4,221,167
1912	1,135,605
For six years	\$57,307,122
Average for one year	9,551,187

From the above figures it will be seen that over \$165,000,000 has been poured into the Northern Pacific System during the past six years. Of this amount the Spokane, Seattle & Portland Railway settled for advances made to it by the Northern Pacific by giving the latter its securities, the total value of which was \$29,818,900. This settlement was made effective during 1911. For "Railway Development in Oregon" \$5,000,000 was credited on "Advances" account in 1912, leaving a balance outstanding on the balance sheet of the company, June 30, 1912, of \$24,039,362.

DIVIDENDS

In the early days of the Northern Pacific's history dividends were somewhat erratic and spare. Since the reorganization after the foreclosure of 1893 dividends were paid regularly upon the preferred stock until it was cancelled, and dividends have been paid regularly on the common stock since 1899.

Following is the dividend record of the Northern Pacific since 1890:

Year	Rate on Preferred	Year	Rate on Preferred	Rate on Common
1890-1	4%	1899	4%	2%
1892	2	1900-1	4	4
1893-7	..	1902	1*	5½
1898	5	1903-12	..	7

* Final dividend.

During the past six years the Northern Pacific has earned over and above its dividend requirements the following amounts:

Year	Amount	Year	Amount
1907	\$6,697,176*	1910.	\$4,936,259
1908	6,258,117†	1911.	3,082,266
1909	7,534,350	1912.	2,303,815

On the general balance sheet of the Northern Pacific Railway Company for the year ending June 30, 1912, the Profit and Loss Account, not including Appropriated Surpluses of \$5,542,517, stood at \$80,260,438, an amount equal to 32% of the company's capital stock outstanding.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Northern Pacific Railway based on miles average operated for the year 1900 and for the years 1905 to 1912 inclusive.

The Northern Pacific's share of the Great Northern-Northern Pacific-Chicago, Burlington & Quincy Collateral Trust Joint 4s are not included in the "Funded debt," hence the Chicago, Burlington & Quincy Stock, as collateral, is not included in "Securities owned."

* After deducting \$3,926,753 for depreciation of equipment.

† After deducting \$2,784,950 for Insurance Fund.

NORTHERN PACIFIC RAILWAY

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$32,874	\$36,341	\$478	\$69,693	\$2,828	\$66,865	4,715	63
1905	29,162	34,896	603	64,661	301	64,360	5,315	115
1906	28,698	34,502	594	63,794	277	63,517	5,401	124
1907	31,175	34,295	589	66,059	258	65,801	5,444	248
1908	38,679	33,772	1,074	73,525	240	73,285	5,633	330
1909	43,731	33,757	1,188	78,676	227	78,449	5,671	470
1910	43,018	33,132	1,769	77,909	1,467	76,442	5,765	504
1911	41,680	31,987	1,886	75,553	8,358	67,195	5,950	574
1912	41,162	31,762	1,746	74,670	7,737	66,933	6,025	624

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$6,368	\$1,033	\$473	\$1,547	\$3,314	\$145	\$3,459	\$1,450	\$2,009
1905	9,543	1,382	950	2,712	4,499	361	4,860	1,639	3,221
1906	11,335	1,387	1,100	3,270	5,578	318	5,896	1,732	4,164
1907	12,590	1,679	1,018	4,222	5,671	429	6,100	1,788	4,312
1908	12,112	1,594	1,497	3,985	5,036	823	5,859	1,777	4,082
1909	12,071	1,383	1,383	3,937	5,368	727	6,095	2,279	3,816
1910	12,927	1,880	1,559	4,538	4,950	791	5,740	1,875	3,865
1911	10,908	1,355	1,329	3,993	4,231	971	5,202	1,769	3,433
1912	10,526	1,305	1,195	3,833	4,193	887	5,080	1,816	3,264

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$1,781	\$636	\$1,145	47.99%	23.8%	24.2%	22.7%	9.1%	5.2%	6.17%
1905	2,041	564	616	32.80	24.4	28.4	17.1	14.7	7.5	11.0
1906	2,005	1,126	1,033	50.80	22.0	28.8	15.2	17.7	9.3	14.5
1907	1,993	1,088	1,231	55.00	21.5	33.5	14.2	19.0	9.2	13.8
1908	2,477	494	1,111	57.90	25.0	32.9	14.6	16.4	8.0	10.5
1909	2,488	.....	1,328	55.54	22.9	32.6	18.8	15.3	7.9	8.7
1910	3,011	.....	854	61.71	26.6	35.1	14.5	16.5	7.5	8.9
1911	2,917	.....	516	61.30	24.6	36.6	16.2	14.4	7.4	8.2
1912	2,882	.....	382	60.16	23.8	36.4	17.2	14.1	7.6	7.9

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$2.86	\$4.464	\$2.212	\$6.694	\$1.490	\$0.0235	\$0.0099	467,723	328	74%	24,773
1905	2.67	.393	.270	.771	1.236	.0223	.0083	820,257	367	73	39,200
1906	2.85	.354	.281	.834	1.381	.0209	.0083	971,165	400	72	40,951
1907	3.01	.407	.246	1.020	1.337	.0226	.0087	1,011,103	407	70	49,432
1908	3.22	.427	.400	1.066	1.327	.0228	.0090	915,388	430	71	49,029
1909	3.14	.361	.361	1.028	1.390	.0226	.0089	927,613	435	69	48,920
1910	2.94	.430	.356	1.037	1.117	.0218	.0090	939,997	429	65	51,690
1911	2.95	.369	.362	1.089	1.130	.0228	.0090	806,834	461	67	50,721
1912	2.98	.369	.339	1.085	1.158	.0236	.0087	838,370	511	69	50,948

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Northern Pacific Railway System, together with the bases on which they have sold during the decade ending December 31, 1912:

NORTHERN PACIFIC RAILWAY

Prior Lien Mortgage 4s

Dated November 10, 1896

Maturing January 1, 1997

Interest payable January 1, April 1, July 1 and October 1 at J. P. Morgan & Company,
New York, and in Berlin at 4.20 marks per dollar.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$100 and multiples.

Authorized \$130,000,000

Outstanding \$108,068,500
Per mile . . . 19,700

Provisions of issue: Of the total amount authorized, \$108,068,500 are outstanding as above (\$3,933,000 of which were in the company's treasury June 30, 1912), \$6,103,500 have been purchased and cancelled by the sinking fund, \$7,887,000 have been reserved to retire the St. Paul & Northern First 6s of 1923, and \$7,941,000 have been reserved for construction, acquisitions of owned and controlled property, and the acquisition of securities at not exceeding \$1,500,000 yearly.

Security: The above bonds are secured by a direct mortgage or by collateral on 5,465.32 miles of road, including land grants, terminals, securities, equipment and future acquisitions. They are secured by a first mortgage on 4,816.4 miles of road, and in effect by a first mortgage on 476.24 miles of road, being a first collateral lien on three entire issues of first mortgage bonds aggregating \$8,155,000. They are further secured by a second mortgage on 172.68 miles covered by the first lien of the St. Paul & Northern Pacific First 6s of 1923, and are additionally secured by a deposit with the trustee of \$821,000 capital stocks of subsidiary companies.

Sinking fund: One-half of the net proceeds received from the sales of land, which amount not to exceed \$500,000, is to be applied annually to purchase these bonds at not over 110. Bonds so purchased are cancelled. The balance of the proceeds of the land sales plus the excess over the \$500,000 mentioned above, is to be set aside by the trustee as a cash fund to be used for construction, acquisitions of property and of securities at not exceeding \$1,500,000 per annum.

Equity: These bonds are prior in lien to the Northern Pacific General Lien Mortgage 3s of 2047, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Mercantile Trust Company, New York.

These bonds sold in 1902 on a 3.75 to 3.90 basis

1903	3.85	4.00
1904	3.75	3.98
1905	3.73	3.85
1906	3.75	3.95
1907	3.92	4.25
1908	3.85	4.08
1909	3.85	3.98
1910	3.96	4.05
1911	3.96	4.05
1912	4.00	4.10

These bonds are considered a legal investment for savings banks in New Hampshire, Vermont, Massachusetts and Rhode Island.

NORTHERN PACIFIC RAILWAY

General Lien Mortgage 3s

Dated November 10, 1896

Maturing January 1, 1947

Interest payable February 1, May 1, August 1 and November 1 at J. P. Morgan & Company,
New York, and in Berlin at 4.20 marks per dollar.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$100 and multiples.

Authorized \$190,000,000

Outstanding \$60,000,000

Per mile . . . 11,000

Provisions of issue: Of the total amount authorized, \$60,000,000 are outstanding as above, of which \$8,828,500 are in the treasury of the company, and \$130,000,000 have been reserved to retire the Northern Pacific Prior Lien 4s of 1897.

Security: The above bonds are secured by a direct mortgage or by collateral on 5,465.32 miles of road including land grants, terminals, securities, equipment and future acquisitions. They are secured, by a second mortgage on 4,816.4 miles of road covered by the first lien of the Prior Lien 4s of 1897, and, in effect, by a second mortgage on 476.24 miles of road, being a second collateral lien on three entire issues of first mortgage bonds aggregating \$8,155,000. They are further secured by a third mortgage on 172.68 miles of road covered by the first lien of the St. Paul & Northern Pacific First 6s of 1923 and by a second collateral lien on securities deposited with the Trustee amounting to \$821,000.

Sinking fund: The unapplied balance of the sinking fund of the Prior Lien 4s of 1897 is to revert to the benefit of this issue and to be used for the purchase and cancellation of these bonds at not over par, whenever the said balance may amount to \$50,000. In case these bonds are not procurable at par, this balance is to be applied to the purchase of securities legal for New York savings banks.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ST. PAUL & NORTHERN PACIFIC RAILWAY

First Mortgage 6s

Dated June 1, 1883

Maturing February 1, 1923

Interest payable on coupon bonds on February 1 and August 1, and on registered bonds on February 1, May 1, August 1 and November 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000.

Authorized \$10,000,000

Outstanding \$7,887,000

Per mile . . . 45,600

Under the terms of the Northern Pacific General Lien 3s of 1947, no further bonds of this issue may be issued.

Security: The above bonds are secured by a first mortgage on the company's road from St. Paul to Staples, Minn., and branch, totalling 172.68 miles. They are further secured by the equipment of the line and its land grants.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Sinking fund: The proceeds of the sale of lands shall be invested in these bonds at a price not exceeding 120. Bonds so purchased are to be cancelled and if not purchasable at that price, to be held as a sinking fund for the payment of this issue at maturity. Up to June 30, 1911, \$134,000 of these bonds had been thus retired.

Equity: These bonds are prior in lien to the Northern Pacific Prior Lien 4s of 1907, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

The St. Paul & Northern Pacific Railway was chartered as the Western Railroad of Minnesota January 29, 1874. It was opened for traffic November 1, 1877, and in the following May it was leased to the Northern Pacific Railroad Company for 99 years at a rental of 35% of gross earnings for five years and 40% thereafter.

In 1883 the entire capital stock of the company was acquired by the Northern Pacific Company, and on May 9 of that year the company was reorganized under the name of the St. Paul & Northern Pacific Railway Company, and a new lease of the road for 999 years was made to the Northern Pacific Railway Company, the latter guaranteeing as rental 40% of gross receipts, a figure never to be less than the interest upon the entire issue of bonds.

The property of the St. Paul & Northern Pacific Railway Company was merged with the Northern Pacific Railway Company in 1896, and its funded indebtedness was thereupon assumed by the latter.

These bonds sold in 1902 on a 3.95 to 4.05 basis

1903	4.02	4.40
1904	4.10	4.28
1905	3.97	4.02
1906	3.95	4.17
1907	4.08	4.55
1908	3.95	4.55
1909	4.02	4.55
1910	4.18	4.45
1911	4.20	4.35
1912	4.25	4.50

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

NORTHERN PACIFIC RAILWAY

St. Paul-Duluth Division Mortgage 4s

Dated June 15, 1900

Maturing December 1, 1996

Interest payable June 1 and December 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$1,000.

Authorized \$20,000,000

Outstanding \$8,080,000
Per mile 30,800

Provisions of issue: Of the total amount authorized \$8,080,000 are outstanding as above, \$2,339,000 have been redeemed by the sinking fund and cancelled, \$4,724,000 have been reserved for prior liens, \$407,000 have been reserved for improvements on existing property, and \$4,450,000 have been reserved for extensions and additions.

Security: The above bonds are secured by a direct mortgage on 261.68 miles of road, together with equipment, terminals and securities. They are secured by a first mortgage on 28.59 miles of road, by a second mortgage on 5 miles, covered by the first lien of the St. Paul & Duluth First Consolidated 4s of 1968, by a third mortgage on 17.08 miles covered by the first lien of the St. Paul & Duluth Second Mortgage 5s of 1917, a fourth mortgage on 189.50 miles covered by the first lien of the St. Paul & Duluth First 5s of 1931 and the Duluth Short Line First 5s of 1916, and by a fifth mortgage on 20.52 miles covered by the first lien of the Taylor's Falls & Lake Superior First 6s of 1914. These bonds are additionally secured by a first collateral lien on the entire issue of the Northwestern Improvement Company Debenture Bonds covering the lands granted to the St. Paul & Duluth Railroad Company.

Sinking fund: The proceeds from the sale of lands covered by the Northwestern Improvement Company Debenture Bonds mentioned above shall be applied to purchase these bonds at not exceeding 105 and interest. If not so purchasable at this price, the proceeds are to be applied to betterments of and additions to the property mortgaged.

Trustee: Guaranty Trust Company, New York.

These bonds sold in 1902 on a 3.90 to 4.00 basis

1903	3.95	4.15
1904	3.97	4.12
1905	3.95	4.05
1906	3.98	4.15
1907	4.15	
1908	4.00	4.50
1909	4.05	4.20
1910	4.10	4.15
1911	4.08	4.17
1912	4.15	4.25

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ST. PAUL & DULUTH RAILROAD

First Mortgage 5s

Dated July 1, 1881

Maturing August 1, 1931

Interest payable February 1 and August 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000
Per mile . . . 5,200

Security: The above bonds are secured by a direct mortgage on 192.28 miles of road, together with equipment and future acquisitions. They are secured by a first mortgage on 171.75 miles of road including the line from St. Paul to Duluth, Minn., and by a second mortgage on 20.52 miles covered by the first lien of the Taylors Falls & Lake Superior First 6s of 1914.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Equity: These bonds are prior in lien to the St. Paul & Duluth Second 5s of 1917 and the First Consolidated 4s of 1968, also the Northern Pacific St. Paul-Duluth Division 4s of 1996, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

The St. Paul & Duluth Railroad was chartered under the laws of Minnesota on May 23, 1857, under the name of the Lake Superior & Mississippi Railroad Company. The road was opened for traffic September 15, 1870, at which time it was leased to the Northern Pacific Railroad Company, the lease terminating May 1, 1874. The Lake Superior & Mississippi Railroad defaulted the interest on its bonds January 1, 1875, and the property was sold under foreclosure May 1, 1877. A new company under the present title was formed June 27, 1877. The property of the St. Paul & Duluth Railroad Company was merged with that of the Northern Pacific Railway Company in June, 1900, at which time the latter assumed its funded indebtedness.

These bonds sold in 1902 on a 3.75 to 3.95 basis

1903	4.23
1905	4.12
1906	4.15
1907	3.88
1909	4.68
1910	4.28
1911	4.33 (bid)
1912	4.45

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

ST. PAUL & DULUTH RAILROAD

Second Mortgage Currency 5s

Dated October 1, 1887

Maturing October 1, 1917

Interest payable April 1 and October 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$2,000,000

Per mile . . . 8,800

Security: The above bonds are secured by a direct mortgage on 227.1 miles of road, together with equipment. They are secured by a first mortgage on 17.08 miles, a second mortgage on 189.5 miles, covered by the first liens of the St. Paul & Duluth First 5s of 1931 and the Duluth Short Line First 5s of 1916, and by a third mortgage on 20.52 miles of road covered by the first lien of the Taylors Falls & Lake Superior First 6s of 1914.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Equity: These bonds are prior in lien to the First Consolidated 4s of 1968 and the Northern Pacific St. Paul-Duluth Division 4s of 1996, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 3.88 to 4.10 basis

1903	4.33	4.55
1904	4.15	4.45
1905	4.05	4.18
1906	3.87	4.12
1907	3.95	5.00
1908	4.50	4.72
1909	5.18	5.37
1910	4.45	4.65
1911	4.50	
1912	4.50	

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ST. PAUL & DULUTH RAILROAD

First Consolidated Mortgage Gold 4s

Dated June 1, 1898

Maturing June 1, 1968

Interest payable June 1 and December 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$1,000,000

Per mile . . . 4,300

No further bonds may be issued than are outstanding.

Security: The above bonds are secured by a direct mortgage on 232.1 miles of the company's road, together with equipment. They are secured by a first mortgage on 5 miles of road, a second

mortgage on 17.08 miles, covered by the first mortgage of the St. Paul & Duluth Second 5s of 1917, a third mortgage on 189.5 miles covered by the first lien of the St. Paul & Duluth First 5s of 1931, and that of the Duluth Short Line First 5s of 1916, and by a fourth mortgage on 20.52 miles covered by the first lien of the Taylor's Falls & Lake Superior First 6s of 1914.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Equity: The above bonds are prior in lien to the Northern Pacific St. Paul-Duluth Division 4s of 1996, a sufficient number of which have been reserved to retire these bonds at maturity.

Trustee: Metropolitan Trust Company, New York.

These bonds sold in 1902 on a 4.00 basis			
1903	4.08	to 4.15	
1904	4.15		
1905	3.95	4.00	
1906	3.95	4.15	
1907	4.18		
1908	4.15	4.55	
1909	4.35		
1910	4.12	4.16	
1911	4.35	(bid)	
1912	4.20	4.35	

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

TAYLOR'S FALLS & LAKE SUPERIOR RAILROAD

First Mortgage Currency 6s

Dated January 1, 1884

Maturing January 1, 1914

Interest payable January 1 and July 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$210,000

Outstanding \$210,000
Per mile . . . 10,200

Security: The above bonds are secured by a first mortgage on the company's road from Wyoming to Taylor's Falls, Minn., 20.52 miles, together with the equipment of the line.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Trustee: Central Trust Company, New York.

The Taylor's Falls & Lake Superior Railroad Company was chartered in February, 1875, with the power to construct a line from a point on the line of the Lake Superior & Mississippi Railroad to the St. Croix River at Taylor's Falls. The road was completed and opened for traffic November 8, 1880, having cost \$303,000, advanced jointly by the Duluth and Minneapolis Companies, each of which was to receive, as representing such half-interest, one-half of an issue of bonds made by the Minneapolis & St. Louis Railroad and secured on the above road, together with half the stock of the Taylor's Falls & Lake Superior Railroad Company.

On October 12, 1880, the line was leased to the Minneapolis Company at 30% of its gross earnings. In November, 1898, the property of the Taylor's Falls Road was conveyed to the St. Paul & Duluth Railroad Company, whose property in turn was purchased by the Northern Pacific Railway Company in 1900.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

DULUTH SHORT LINE RAILWAY

First Mortgage Currency 5s

Dated September 1, 1886

Maturing September 1, 1916

Interest payable March 1 and September 1 at J. P. Morgan & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$500,000

Outstanding \$500,000

Per mile . . . 27,800

Security: These bonds are secured by a first mortgage on 17.75 miles of the company's line, including the 14.33 miles from Thomson to Duluth, a branch to West Superior, Wis., and a bridge over the St. Louis River.

The above bonds have been ASSUMED by the Northern Pacific Railway Company.

Equity: These bonds are prior in lien to the St. Paul & Duluth Second 5s of 1917; to the First Consolidated 4s of 1908; and to the Northern Pacific St. Paul-Duluth Division 4s of 1906, a sufficient number of which have been reserved to provide for the retirement of the above bonds.

Trustee: Central Trust Company, New York.

The Duluth Short Line Railway Company was chartered July 1, 1886, and its road was opened for traffic in September, 1888. It was leased from September 1, 1886, to the St. Paul & Duluth Railroad Company at an annual rental, being the interest on its bonds. Its property was purchased by the St. Paul & Duluth Railroad Company in November, 1898, the latter company being merged with the Northern Pacific Railway Company in 1900.

These bonds were quoted in 1909 on a 5.00 basis (bid)

These bonds were sold in	1910	5.20
	1911	5.22 (bid)
	1912	4.60 to 5.00

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

WASHINGTON & COLUMBIA RIVER RAILROAD

First Mortgage 4s

Dated March 1, 1895

Maturing July 1, 1935

Interest payable January 1 and July 1 at 34 Nassau St., New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,620,000

Outstanding \$140,000
Per mile . . . 800

Provisions of issue: Of the total amount authorized \$140,000 are outstanding as above, and the balance, \$2,480,000, is in the treasury of the company.

Security: The above bonds are secured by a first mortgage on 167.65 miles of road, including the company's line from Pendleton, Ore., to Dayton, Wash., 127 miles, and branches, together with the equipment of the road and all further acquisitions.

These bonds have been ASSUMED by the Northern Pacific Railway Company.

Trustee: Farmers' Loan & Trust Company, New York.

The Washington & Columbia River Railway Company was chartered August 4, 1892, as the successor to the Oregon & Washington Territory Railroad Company. On February 1, 1898, it passed under the control of the Northern Pacific Railway Company through the purchase of practically all its stock and income bonds. It was not until July, 1907, however, that it became operative as an integral part of the Northern Pacific Railway System.

These bonds were quoted in 1909 on a 4.88 basis (bid)

1910	4.90
1911	5.00
July, 1912	5.05

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Vermont, Massachusetts and Rhode Island.

WASHINGTON CENTRAL RAILWAY

First Mortgage 4s

Dated June 1, 1898

Maturing March 1, 1948

Interest payable March 1, June 1, September 1 and December 1 at the Manhattan Trust Company, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$100 and multiples.

Authorized \$1,853,000 and \$15,000 per mile additional

Outstanding \$850,500
Per mile . . . 6,500

Provisions of issue: Of the amount authorized, \$850,500 are outstanding as above, and the balance, \$1,002,500, is held in the treasury of the Northern Pacific Railway Company.

Security: The above bonds are secured by a first mortgage on the company's road from Cheney to Coulee City, Wash., 129.88 miles, together with equipment and future acquisitions.

These bonds have been GUARANTEED as to INTEREST by the Northern Pacific Railway Company under the terms of its lease.

Trustee: Knickerbocker Trust Company, New York.

The Washington Central Railway Company was organized March 31, 1898, to take over the property of the Central Washington Railroad Company, which was sold under foreclosure January 19, 1898. The Washington Central Railway Company was leased for 999 years from March 1, 1898, to the Northern Pacific Railway Company, which took possession of the property June 30, 1898, at a rental of \$61,520 a year, being interest on its bonds.

These bonds sold in 1902 on a 4.28 basis		
1904	4.33	to 4.85
1905	4.28	4.38
1906	4.37	4.45
1909	4.40	
1910	4.42	4.45
1911	4.50	
December, 1912	4.60	(bid)

NORTHERN PACIFIC-GREAT NORTHERN

Chicago, Burlington & Quincy Joint Collateral Trust Gold 4s

Dated July 1, 1901

Maturing July 1, 1921

Interest payable January 1 and July 1 for coupon bonds, January 1, April 1, July 1 and October 1 for registered bonds, at New York and Berlin.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$1,000, \$5,000 and multiples.
Coupon and registered bonds interchangeable.

Authorized \$222,400,000

Outstanding \$215,227,000

Provisions of issue: The authorized amount of this issue is limited to twice the par value of the capital stock of the Chicago, Burlington & Quincy Railroad. Of this amount, \$215,227,000, are outstanding as above, and the balance, \$7,173,000, is issuable in exchange for the above-mentioned stock.

Security: The above bonds are a direct obligation of the Northern Pacific Railway and the Great Northern Railway Companies, jointly and severally, and are secured by a deposit with the trustee of \$107,613,500 capital stock of the Chicago, Burlington & Quincy Railroad.

Redemption: These bonds are redeemable at 105 and interest on any interest date after January 1, 1906. A sufficient amount of Great Northern Railway First and Refunding Bonds of 1961 has been reserved to retire this issue at maturity.

Trustee: Standard Trust Company, New York.

For a further description of this issue, see page 180.

These bonds sold in 1901 on a 3.95 to 4.45 basis

1902	4.25	4.60
1903	4.40	5.10
1904	3.87	4.80
1905	3.75	4.10
1906	3.85	4.25
1907	4.25	5.80
1908	4.00	4.80
1909	4.10	4.50
1910	4.30	4.62
1911	4.20	4.60
1912	4.20	4.75

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA RAILROAD COMPANY

PENNSYLVANIA RAILROAD COMPANY

HISTORY

The Pennsylvania Railroad claims the distinction of being the greatest railroad in the world in point of earnings and traffic. The Pennsylvania System, including the mileage operated by the Pennsylvania Railroad Company, the Pennsylvania Company, and the lines they control, aggregated 11,406 miles of main track as of December 31, 1911, including 67 miles of ferries and canals. During 1911 the system's gross earnings were over \$336,000,000, while those of the Pennsylvania Railroad Company were over \$157,000,000, and the total number of tons carried by the system amounted to over 413,000,000, or nearly one-quarter of the tonnage of the United States.

The Pennsylvania Railroad Company is one of the oldest in the United States, its annual report of December 31, 1911, being the sixty-fifth issued by it. Incorporated April 13, 1846, under the laws of the State of Pennsylvania, it was planned to construct a line of railroad from Harrisburg to Pittsburg, Pennsylvania, a distance of 249 miles. The work of construction was begun on the Harrisburg end in July, 1847, and various divisions were opened from time to time as completed from 1850 to 1854, when, in February of that year, the completed line was thrown open for traffic.

The link from Harrisburg to Philadelphia was made up of the old Philadelphia & Columbia Railroad and the Harrisburg, Portsmouth, Mt. Joy & Lancaster Railroad. The former was purchased in 1857 together with the main line of a system of public works of the state, including canals and railroads which had been planned as early as 1826 to connect the Susquehanna system of canals with Philadelphia.

In order to keep pace with the rapid extension of the Pennsylvania Railroad System, the Pennsylvania Company was chartered in 1870 for the purpose of managing the interests of the Pennsylvania Railroad Company in its various lines leased and controlled, lying west of Pittsburg. The Pennsylvania Railroad owns the entire \$80,000,000 capital stock of the Pennsylvania Company. The latter owns no mileage directly, but operates under lease the following roads:

Pittsburgh, Fort Wayne & Chicago Railway and leased lines,
Pittsburgh, Youngstown & Ashtabula Railway,
Erie & Pittsburgh Railroad,
Cleveland & Pittsburgh Railroad,
Toledo, Columbus & Ohio River Railroad,
South Chicago & Southern Railway,
Massillon & Cleveland Railway,

and several smaller lines.

It controls through ownership of all or a majority of their capital stocks the following companies which are operated through their own organization:

Pittsburgh, Cincinnati, Chicago & St. Louis Railway,
Grand Rapids & Indiana Railway and affiliated lines,
Cleveland, Akron & Cincinnati Railway,

Waynesburg & Washington Railroad,
Pennsylvania Terminal Railway,
Cincinnati, Lebanon & Northern Railway,
Vandalia Railroad Lines,
Louisville Bridge Company,
Wheeling Terminal Railway

and joint interests in

Central Indiana Railway,
Lake Erie & Pittsburgh Railway,
Pittsburgh, Chartier & Youghiogheny Railroad,
Toledo, Peoria & Western Railway.

In January, 1907, the "Pennsylvania" completed arrangements for the merger of the Philadelphia & Erie Railroad, operating 307 miles of track between Sunbury and Erie, Pennsylvania. The merger took effect as of May 1, 1907.

In carrying out the policy of absorbing minor roads where such acquisition promotes efficiency and economy of operation, the Bald Eagle Valley Railroad, the Junction Railroad and the Southwest Connecting Railway Companies were absorbed during 1908 and their properties taken over, the Allegheny Valley Railway was merged in April, 1910, and the Ridgeway & Clearfield Railroad in April, 1911. The Bedford & Bridgeport Railway and the Bedford & Hollidaysburg Railroad consolidated in May, 1911, as the Hollidaysburg, Bedford & Cumberland Railroad.

In August, 1910, the directors of the Pennsylvania Railroad approved a proposition to lease the Northern Central Railway for 999 years at a rental of a stock dividend of 40%, a cash dividend of 10%, a guaranteed annual dividend of 8% on the capital as increased by the foregoing allotment, with but a small dissenting vote. The stockholders of the Northern Central Railway agreed in November, 1910, to ratify this lease. Delays in its consummation have been brought about by suits of the dissenting minority stockholders, which are at present pending settlement.

The Pennsylvania Tunnel & Terminal Railroad Company was chartered to construct a terminal and approaches in New York City. In 1903 work was begun upon this expensive engineering feat, and during 1910 the New York Tunnel Extension was practically completed. The Pennsylvania Depot and tubes connecting it were thrown open for traffic November 27, 1910, and from that date the entire tunnel extension from that point to a connection with the Long Island Railroad at Sunnyside Yard has been operated by the Pennsylvania as agent for the Pennsylvania Tunnel & Terminal Railroad Company.

The latter company issued in 1911 its certificate of indebtedness to the Pennsylvania Railroad Company for \$84,861,420 in settlement for funds advanced for the construction of the Tunnel and Terminal. This certificate and \$15,000,000 of its full-paid capital stock are included in the securities owned by the Pennsylvania, and are carried on its balance sheet at valuations respectively of \$57,461,419 and \$1. The balance of its capital stock, \$10,000,000, is owned by the Pennsylvania Company.

Jointly with The New York, New Haven & Hartford Railroad Company, the Pennsylvania Railroad Company has owned for many years the entire capital stock of the New York Connecting Railroad Company, which is now constructing a railroad from a connection with the Long Island Railroad at the Borough of Queens, New York City, through it to a connection with The New York, New Haven & Hartford Railroad near Port Morris in the Borough of Bronx. Upon the completion of this connection a direct all-rail movement via the Pennsylvania Station, New York City, for the passenger traffic interchanged between the two systems will be made possible, and the new route should materially increase facilities for and expedite the movement of New England passenger and freight traffic and avoid congestion of the New York terminals and harbor, and delays which often arise under the float service now in use due to fog, ice, tides and crowded conditions of the Hudson and East Rivers.

The time required to construct this important link will be about three years. It has been estimated that the cost thereof will be about \$15,000,000 in addition to \$5,000,000 previously advanced in equal amounts by the two owning companies, and represented by its capital stock and notes. All securities issuable for construction purposes will bear the guarantee both as to principal and interest by the Pennsylvania and the New Haven, and under the agreement they will operate the line jointly, participating equally in its profits and meeting equally its deficits.

The Pennsylvania System in the past has issued large amounts of equipment trust certificates. The total amount issued under all series up to December 31, 1911, was \$105,300,000. The total amount outstanding and unredeemed on the above date was \$41,600,000. Against this amount 86,528 cars are held as security. The Pennsylvania Railroad Company's share in these outstanding obligations amounted to \$26,757,828 in December, 1911, against which 55,719 cars are held as security.

The Pennsylvania Railroad Company, in addition to the above-mentioned interests, controls through direct ownership of and in most instances a large majority of their capital stocks, the following railroads which are operated through their own organizations:

Philadelphia, Baltimore & Washington Railroad,
West Jersey & Seashore Railroad,
Northern Central Railway,
Cumberland Valley Railroad,
Long Island Railroad,
Baltimore, Chesapeake & Atlantic Railway,
Philadelphia & Camden Ferry Company.

It also controls the Lykens Valley Coal Company, the Summit Branch Mining Company, the Lytle Coal Company, the Mineral Railroad & Mining Company and the Susquehanna Coal Company. Through the Pennsylvania Company it has acquired control jointly with the Reading Company of the Cambria Steel Company and the Pennsylvania Steel Company.

Among its securities owned on December 31, 1911, the Pennsylvania Railroad had extensive holdings in the properties of other important systems. It owned \$14,273,600 preferred and \$5,725,000 common stocks of the Baltimore & Ohio Railroad Company, \$4,062,500 capital stock of The New York, New Haven & Hartford Railroad Company and \$32,484,800 common and \$5,820,000 preferred stocks of the Norfolk & Western Railway. Its holdings of the stocks of these companies give it a voice in the management of these outside properties.

PROPERTY

The Pennsylvania System extends from the city of New York, and from Philadelphia, Baltimore and Washington, westerly to the Great Lakes and to the Mississippi River, with lines running southerly to Chesapeake Bay, to the Potomac and to the Ohio Rivers, and easterly to the end of Long Island. The lines east of Pittsburgh and Erie are managed by the Pennsylvania Railroad Company, while those west of the cities named are managed by the Pennsylvania Company. The entire system had an aggregate mileage, December 31, 1911, of 11,406.87 miles.

The Pennsylvania Railroad Company operated for the fiscal year ending December 31, 1911, 4,017.79 miles as follows:

Miles owned in fee	2,127.61
Miles operated under contract	1,682.44
Miles operated under trackage arrangements.	207.74
Total miles operated	4,017.79

As compared with 1910, the Pennsylvania operated 41.1 miles more in 1911. This was due to the absorption of the Ridgway & Clearfield Railroad.

The mileage of the Pennsylvania Railroad lies chiefly in the States of Pennsylvania and New Jersey. The population of the two in 1890 was approximately 6,700,000, in 1900 8,200,000, and in 1910 was 10,200,000.

CAPITALIZATION

The capitalization of the Pennsylvania Railroad Company on December 31, 1911, was approximately as follows:

Capital stock	\$453,880,560
Funded debt.	262,848,007
Nominal capital	\$716,728,567
Rentals capitalized at 5%	98,384,080
Gross capitalization	\$815,112,647
Securities owned	320,599,735
Net capitalization	\$494,512,912
Net capital per mile operated	\$123,072
Average miles operated	4,017.79
Net income to net capital	12.9%
Fixed charges to net income	37.9%
Margin of safety	62.2%

In January, 1911, the directors were authorized to increase the company's capital stock from \$500,000,000 to \$600,000,000. In the following March new stock was issued, amounting to \$41,261,600. This new stock was offered to stockholders of record at par up to 10% of their respective holdings. On January 1, 1912, the total amount of capital stock outstanding was \$453,877,850.

The funded debt above includes \$162,930,370 of the company's direct obligations, \$54,546,500 of the secured debts of other companies whose properties have been acquired by the Pennsylvania subject thereto, \$14,822,250 Guaranteed Stock Trust Certificates, and \$26,757,828 of Equipment Trust obligations referred to above. One-half the company's direct obligations are represented by its Convertible 3½% bonds of 1915, which were offered to stockholders in 1905 at par and which are outstanding to the extent of over \$86,800,000.

The Pennsylvania operates under contract 1,682 miles. For the use of this mileage the company paid in 1911 fixed rentals of \$3,402,093 and rentals for roads operated on the basis of net revenue of \$1,517,111. Capitalizing these amounts at 5%, we get a figure of nearly \$100,000,000, representing the nominal capitalization of the roads in question.

The value of the securities which the company owned as of December 31, 1911, amounted to \$433,214,164 par value. These were carried on the company's general balance sheet at \$321,540,716. The par value of the stocks owned was \$290,263,128, and included its holdings of Baltimore & Ohio stock, New York, New Haven & Hartford, the entire \$80,000,000 stock of the Pennsylvania Company, the \$15,000,000 stock of the Pennsylvania Tunnel & Terminal Railway Company, holdings of Norfolk & Western and Northern Central Railway Companies' stock, and the stocks of its other subsidiary companies. The par value of bonds owned amounted to \$142,951,036, the largest single item being the Pennsylvania Tunnel & Terminal Railway Company's Certificate of Indebtedness. \$67,614,550 of the foregoing securities were deposited under the Consolidated Mortgage and Collateral Trust Loans.

The total income received from the securities owned by the Pennsylvania Railroad Company during the year 1911 amounted to \$14,450,594, or 4.4% on the cost of the securities as per balance sheet. This amount is equivalent to 3.1% on the company's outstanding capital stock.

It will be noted that the company's net capital per mile of road operated was \$123,072. This compares with \$159,345 for the Reading and \$111,293 for the Baltimore & Ohio, two similar properties. Upon these net capitalizations the three in question were able to show total net incomes of 12.9%, 13.8% and 6.5% respectively.

During 1911 the Pennsylvania's fixed charges, including interest on its funded debt, both direct and assumed, rentals, taxes, sinking funds, etc., were \$24,167,141. This was equal to 37.8% of the company's total net income. There was an equity in earnings over charges of over \$37,300,000, or 62.2%. In other words, the company's corporate income could decline almost two-thirds before its fixed charges would be affected. This margin of safety — so called — compares with 52% for the Reading and 43% for the Baltimore & Ohio. The general average of the country is about 40% to 45%.

CHARACTER OF TRAFFIC

Nearly three-quarters of the Pennsylvania's business is freight, and two-thirds of this freight business is represented by the transportation of mine products. Of the total tons of revenue freight 125,175,068, moved in 1911, 66,274,246 tons were of coal and coke.

The following is a classification of the company's freight tonnage for the past five years:

Products of	1911	1910	1909	1908	1907
Agriculture	4.36%	4.16%	4.75%	5.94%	5.18%
Animals	1.12	1.22	1.56	1.77	1.43
Mines	63.07	65.89	66.02	65.45	64.75
Forests	3.91	4.57	4.82	4.77	4.56
Manufactures	16.84	19.81	19.32	18.52	20.38
Mdse. and Misc.	10.69*	4.35	3.53	3.55	3.70
	100.00%	100.00%	100.00%	100.00%	100.00%

Following are the more important traffic statistics of the Pennsylvania Railroad Company for the years 1907 to 1911 inclusive:

Year	Freight density	Train load tons	Freight earnings	Average rate per ton per mile
1907	5,502,007	574	\$123,826,165	\$.0057
1908	4,269,464	602	97,989,330	.0057
1909	4,840,916	656	110,748,978	.0058
1910	5,099,717	649	118,203,016	.0058
1911	4,833,448	671	114,069,932	.0059

It will be seen that the Pennsylvania's freight business declined 22% in 1908 from the high figures of 1907. For almost any other road a decline of 22% would have been serious. Train loading showed improvement, however, increasing 28, or 5%. In 1909 and 1910 substantial increases in tons carried were reported, and, with an increase in the average rate, earnings were proportionately better.

In 1911, however, tonnage figures fell off slightly, while the train load, showing the company's operating efficiency, was the highest ever reported. Earnings declined but nominally.

* 5.32% switching items included above.

About 22% of the company's gross earnings were from the transportation of passengers. The number of passengers carried in 1911 decreased from the high figures of 1910, 69,979,457, to 67,445,714. The company's passenger density—the number of passengers carried one mile per mile of road—increased slightly, however, and passenger earnings were the highest in the history of the company.

Year	Passenger density	Number of passengers per train	Passenger earnings	Average rate per passenger per mile
1907	417,591	64	\$31,353,614	\$.0192
1908	368,341	61	28,951,656	.0198
1909	392,224	63	30,410,788	.0196
1910	425,968	64	33,185,031	.0196
1911	428,777	62	34,113,529	.0198

EARNINGS

The Pennsylvania Railroad reports the following gross and net earnings, figured on the average miles operated for the years 1907 to 1911 inclusive:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile	Operating ratio
1907	3,902	\$164,812,825	\$42,238	\$45,205,477	\$11,587	72.6%
1908	3,980	136,296,871	34,245	38,884,855	9,771	71.5
1909	3,947	153,564,527	38,906	46,428,396	11,764	69.7
1910	3,977	160,457,298	40,346	45,644,670	11,479	71.6
1911	4,018	157,487,412	39,195	44,259,020	11,017	71.9

No railroad in the country reports such a volume of earnings, either gross or net. In 1890 gross revenues were over \$66,000,000. By 1901 gross earnings had reached the \$100,000,000, and to-day they average yearly that amount higher than in 1890.

In 1907 gross revenues were the highest the Pennsylvania ever produced. The company's operating ratios, given below, for the past five years, show how closely net earnings parallel gross. Declines in operating expenses have kept pace with falling earnings, and as the latter have improved, especially since 1909, operating costs have expanded.

These ratios have been made up as follows:

Year	Maintenance to gross	Conducting transportation to gross	Total operating expenses to gross
1907	31.6%	41.0%	72.6%
1908	29.6	41.9	71.5
1909	31.4	38.3	69.7
1910	32.1	39.5	71.6
1911	31.1	40.8	71.9

The Pennsylvania's gross earnings per mile of \$39,195 in 1911 compare with \$43,750 per mile for the Reading and \$19,879 for the Baltimore & Ohio Railroads.

Based on the annual report of the Pennsylvania Railroad Company the following table has been prepared showing the combined earnings for the fiscal years 1908 to 1911 inclusive, ending December 31, of all the transportation companies which are operated, controlled by or affiliated in interest with the Pennsylvania Railroad System. These include, beside the Pennsylvania Railroad Company and the Pennsylvania Company, the Philadelphia, Baltimore & Washington Rail-

road, the Northern Central Railway, the West Jersey & Sea Shore Railroad, the Cumberland Valley Railroad, the Pittsburgh, Cincinnati, Chicago & St. Louis Railway, the Vandalia Railroad, and the Grand Rapids and Indiana Railway Companies. The equity of the Pennsylvania Railroad in the above-mentioned companies is extremely large, and in almost every instance is by no means represented by the dividends paid by those companies.

	1911	1910	1909	1908
Gross earnings . . .	\$336,351,868	\$346,215,498	\$315,406,804	\$276,780,314
Operating expenses	261,210,277	267,422,917	229,143,591	205,388,087
Net earnings . . .	\$75,141,591	\$78,792,581	\$86,263,213	\$71,392,227
Other income . . .	34,985,094	34,124,065	30,500,494	29,111,852
Total net income	\$110,126,685	\$112,916,646	\$116,763,707	\$100,504,079
Total deductions*	108,209,372	109,107,290	113,520,505	99,250,907
Surplus for year . .	\$1,917,312	\$3,809,356	\$3,243,202	\$1,253,172

MAINTENANCE

During the past five years the Pennsylvania Railroad Company has spent \$240,000,000 out of income for maintenance of way and equipment. This is an average of \$48,000,000 a year, or \$12,155 per mile of road operated. Following are the amounts which have been spent:

Year	Maintenance		Total maintenance	Per mile
	Way	Equipment		
1907	\$20,265,844	\$31,721,614	\$51,987,458	\$13,322
1908	15,177,314	25,113,455	40,290,769	10,192
1909	19,104,548	29,111,443	48,215,991	12,225
1910	20,342,489	31,117,989	51,460,478	12,939
1911	18,353,290	30,579,966	48,933,256	12,177

The average traffic density and the total maintenance per mile of the Pennsylvania for the period in question compare with the Reading and the Baltimore & Ohio as follows:

Five years	Traffic density	Maintenance per mile
Pennsylvania	5,316,000	\$12,155
Reading	4,692,000	11,545
Baltimore & Ohio	2,766,500	5,820

ADDITIONS AND BETTERMENTS

Besides the above enormous amounts spent for maintenance, the company has appropriated from surplus earnings for improvements, additions, etc., since 1901 the following sums:

* Includes interest, rentals, dividends, reserves, deductions for betterments and all extraordinary expenditures.

Year	Amount	Year	Amount
1901	\$10,824,595	1907	\$5,760,651
1902	12,500,000	1908	4,538,981*
1903	9,472,728	1909	11,581,810*
1904	6,220,922	1910	19,604,597*
1905	8,424,881	1911	6,265,887
1906	11,201,475		

The company's balance sheet of December 31, 1911, shows \$33,988,133 of income spent on additions to property since June 30, 1907.

The total additions to property during the fiscal year 1911 amounted to \$14,319,530. Of this sum \$6,265,887 were charged to Income, as above, \$200,000 to Reserve for Additions and Betterments, \$1,792,687 to Equipment Depreciation Reserve and \$5,560,956 to Capital Account (\$1,889,499 to Road and \$3,671,457 to Equipment). The New York Central spent almost identically the same amount for additions and betterments during 1911 as did the Pennsylvania.

DIVIDENDS

From the date of its organization up to December 31, 1911, the Pennsylvania Railroad Company has paid cash dividends aggregating over 365%, or about \$420,000,000. It has paid dividends longer than any other railroad in the United States, and has never failed to declare a dividend in any single year. Yearly dividend disbursements average over \$25,000,000. The company's record since 1875 is as follows:

Year	Rate	Year	Rate
1875-6	8%	1889	5½%
1877	3½	1890	5
1878	2	1891	3
1879	4½	1892	6½
1880	6 and 1% in scrip	1893-9	5
1881	8	1900-5	6
1882	6½	1906	6½
1883	4½	1907	7
1884-8	5	1908-12	6

The company reported a Free Surplus of \$27,397,808 on December 31, 1911, which, together with Appropriated Surpluses of \$74,373,498, is equal to nearly \$102,000,000, or 22% of the company's \$453,877,500 capital stock.

STATISTICS

Following are the capitalization, earnings and traffic statistics of the Pennsylvania Railroad, based on the average miles operated for the year 1900, and for the years 1905 to 1911 inclusive:

* The appropriations of 1908, 1909 and 1910 include \$1,000,000, \$4,000,000 and \$12,400,000 respectively, applied toward the construction of the New York Tunnel Extension.

PENNSYLVANIA RAILROAD

Fiscal year	Capital stock	Funded debt	Rentals at 5%	Gross capital	Owned by company	Net capital	Average miles operated	Extra main track
1900	\$41,530	\$29,957	\$67,020	\$138,507	\$45,220	\$92,287	3,648	2,038
1905	78,808	49,974	61,596	190,378	61,631	128,747	3,839	2,028
1906	78,509	49,156	58,718	186,383	53,955	132,428	3,897	2,109
1907	80,623	69,445	46,776	196,844	60,349	136,495	3,902	2,123
1908	79,046	80,044	32,348	191,438	62,208	129,230	3,980	2,149
1909	102,484	74,891	38,798	216,173	68,493	147,680	3,947	2,133
1910	103,749	67,860	28,424	200,033	70,264	129,769	3,977	2,173
1911	112,961	65,417	24,484	202,862	79,790	123,072	4,018	2,197

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	Surplus available for dividends
		Way	Equipment						
1900	\$24,271	\$3,095	\$3,699	\$9,131	\$8,346	\$1,779	\$10,125	\$5,498	\$4,627
1905	34,884	3,939	6,346	14,041	10,558	3,135	13,693	5,886	7,807
1906	38,039	4,377	6,733	15,022	11,917	3,280	15,197	6,075	9,122
1907	42,238	5,193	8,129	17,329	11,587	3,535	15,122	6,549	8,573
1908	34,245	3,813	6,309	14,352	9,771	3,615	13,386	6,332	7,054
1909	38,906	4,850	7,375	14,927	11,764	4,041	15,805	6,931	8,874
1910	40,346	5,115	7,824	15,929	11,479	4,389	15,868	6,368	9,500
1911	39,195	4,567	7,610	16,001	11,017	4,887	15,904	6,014	9,890

Fiscal year	Divi- dends	Other charges to income	Surplus	Operating expenses to gross earnings	Total main- tenance to gross earnings	Conducting transporta- tion to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on capital stock
1900	\$2,407	\$2,190	\$30	65.5%	28.0%	37.5%	22.6%	17.6%	10.8%	11.1%
1905	4,718	3,040	49	69.7	29.5	40.2	16.8	18.3	10.6	9.9
1906	5,098	3,963	61	68.7	29.2	39.5	16.0	20.4	11.5	11.6
1907	5,614	2,283	666	72.6	31.6	41.0	15.5	21.4	11.1	10.6
1908	4,742	2,095	217	71.5	29.6	41.9	18.5	17.9	10.3	8.9
1909	4,857	3,845	172	69.7	31.4	38.3	17.8	18.0	10.7	8.6
1910	6,138	2,671	691	71.6	32.1	39.5	15.8	20.1	12.2	9.1
1911	6,458	2,325	1,107	71.9	31.1	40.8	15.3	19.3	12.9	8.7

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Freight to all traffic	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton				
1900	\$2.18	\$2.268	\$3.321	\$7.793	\$7.798	\$0.0198	\$0.0054	3,268,276	477	72%	57,794
1905	2.39	.270	.435	.966	.719	.0201	.0059	4,398,407	505	74	63,492
1906	2.51	.289	.444	.992	.787	.0201	.0059	4,742,081	529	74	57,751
1907	2.62	.323	.506	1.077	.721	.0191	.0057	5,502,007	574	75	58,357
1908	2.60	.289	.479	1.090	.742	.0197	.0057	4,269,464	602	72	63,232
1909	2.86	.356	.542	1.090	.866	.0196	.0058	4,840,916	656	72	69,068
1910	2.78	.353	.540	1.110	.792	.0195	.0058	5,099,717	649	73	80,483
1911	2.77	.323	.538	1.132	.779	.0198	.0058	4,833,448	671	72	83,488

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Pennsylvania Railroad System, together with the bases on which they have sold during the decade ending December 31, 1912:

PENNSYLVANIA RAILROAD
Consolidated Mortgage 5s, 4s and 3½s

(1) Gold 5s

Issued September 1, 1879

Maturing September 1, 1919

Interest payable March 1 and September 1 on coupon bonds; March 1, June 1, September 1
and December 1 on registered bonds; at the Company's office, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Issued \$5,000,000

Outstanding \$4,998,000

Cancelled . 2,000

(2) Gold 4s

Issued May 1, 1893

Maturing May 1, 1943

Interest payable May 1 and November 1 at the Farmers' Loan & Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Issued \$3,000,000

Outstanding \$2,610,000

Cancelled . 390,000

(3) Sterling 3½s

Issued July 1, 1895

Maturing July 1, 1945

Interest payable January 1 and July 1 at the Joint Stock Bank, Ltd., London.

Coupon bonds of £200, registerable as to principal or fully registerable.

Issued \$4,850,000

Outstanding \$4,560,940

Cancelled . 289,060

(4) Currency 4s

Issued May 1, 1908

Maturing May 1, 1948

Interest payable May 1 and November 1 at New York or Philadelphia.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Issued \$20,000,000

Outstanding \$20,000,000

(5) Sterling 4s

Issued May 1, 1908

Maturing May 1, 1948

Interest payable May 1 and November 1 at London.

Coupon bonds of £200, registerable as to principal or fully registerable.

Issued \$19,400,000

Outstanding \$19,400,000

Provisions of issue: The mortgage covering the above bonds (dated July 1, 1873) authorized an issue of not exceeding \$100,000,000 outstanding at any one time. Of this amount \$51,568,940 were outstanding January 1, 1913.

Sinking fund: The company agrees that it will set apart from the preceding year's net income on the fifth year after the date of bonds entitled to the security of a sinking fund, and annually thereafter, an amount equal to 1% of the principal of said bonds outstanding, this amount to be applied to the purchase at not exceeding par of bonds so issued. The bonds purchased are

to be cancelled. If bonds are not so purchasable, the amount shall be invested in other lawful securities which shall be applied to the sinking fund. On December 31, 1912, the total amount of securities and cash held amounted to \$2,882,031.

Security: The above bonds are secured by direct mortgage on 2,115.82 miles of road, on terminals in Philadelphia and Pittsburg, and on real estate, securities, equipment, leaseholds, etc. They are secured by a first mortgage on 1,093.01 miles, including the line from Trenton, N. J., to York, Pa., and from Philadelphia to Shenandoah; also from Harrisburg to Pittsburg and Altoona to Lock Haven. They are secured by a second mortgage on 979.59 miles, including the 98.06 miles covered by the Pittsburg, Virginia & Charleston First 4s of 1943; the 136.59 miles covered by the Western Pennsylvania Consolidated 4s of 1928; on the 287.54 miles covered by the Philadelphia & Erie General 6s, 5s and 4s of 1920; and on the 263.70 miles covered by the Allegheny Valley 4s of 1942. They are secured by a third mortgage on the 43.22 miles covered by the Sunbury, Hazleton & Wilkes-Barre First 5s of 1928. They are also secured by first mortgage on the lease of a major part of the property of the United New Jersey Railroad & Canal Company and on the lease of the Harrisburg, Portsmouth, Mount Joy & Lancaster Railroad Company; also on securities pledged with the trustee of over \$50,000,000 estimated value.

Trustee: Girard Trust Company, Philadelphia.

The 5s of 1919 sold in 1903 on a 3.80 basis

1904	3.95	
1907	4.45	
1908	3.85	
1909	3.85	
1910	4.00 to 4.02	
1911	3.80	
1912	3.37	3.70

The 4s of 1943 sold in 1907 on a 3.95 basis

1908	3.70 to 3.98	
1909	3.72	
1910	3.67	3.875
1911	3.80	3.875
1912	3.80	3.95

The Sterling 4s of 1948 sold in 1909 on a 3.73 to 3.85 basis

1910	3.75	3.90
1911	3.80	3.90
1912	3.80	3.95

The above bonds are considered a legal investment for savings banks in New England.

PITTSBURGH, VIRGINIA & CHARLESTON RAILWAY

First Mortgage 4s

Dated February 1, 1904

Maturing November 1, 1943

Interest payable May 1 and November 1 at New York and Philadelphia.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$6,000,000

Outstanding \$6,000,000

Per mile 61,200

Security: The above bonds are secured by a first mortgage on 98.06 miles of the company's line, including the 53.20 miles from Pittsburg to West Brownsville, Pa., and branches; also on depots and other buildings, equipment franchises, incomes, etc.

These bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: The bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

Trustee: Girard Trust Company, Philadelphia.

The Pittsburgh, Virginia & Charleston Railway Company was chartered February 4, 1870, and its road was opened for traffic in 1873. It was consolidated with the Brownsville Railroad Company in 1881, and in 1894 it absorbed the properties of the McKeesport & Bessemer Railroad, the Monongahela River & Streets' Run Railroad and the Brownsville & State Line Railroad.

The company was operated by the Pennsylvania Railroad Company under a lease for 30 years from April 1, 1895. It was consolidated with the latter in 1905.

These bonds were quoted in 1911 at par.
1912 at par.

These bonds are considered a legal investment for savings banks in New England except in Vermont.

SUNBURY, HAZLETON & WILKES-BARRE RAILWAY

First Mortgage 5s

Dated May 1, 1878

Maturing May 1, 1928

Interest payable May 1 and November 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$100, \$500 and \$1,000.

Authorized Series "A" \$1,000,000
Series "B" 1,000,000

Outstanding Series "A" \$574,200
Per mile 13,300

Provisions of issue: Of the \$1,000,000 Series "A" bonds authorized, \$574,200 are outstanding as above, and \$425,800 are held in the sinking fund. The company has the privilege of increasing from 5% to 6% the interest on the \$1,000,000 bonds of Series "B" when issued.

- Sinking fund:** A sinking fund equivalent to one-half of 1% of the outstanding bonds, together with the interest on the bonds in the sinking fund, shall be applied to the purchase of these bonds at not exceeding par and interest, and if not so purchasable, the bonds shall be drawn by lot. The bonds so purchased will remain uncanceled.
- Security:** The above bonds are secured by a first mortgage on 43.22 miles of the company's line extending from Sunbury to Tomhicken, Pa., also on buildings, equipment, coal lands and future acquisitions.
- The bonds have been ASSUMED by the Pennsylvania Railroad Company.
- Equity:** These bonds are prior in lien to the Sunbury, Hazleton & Wilkes-Barre Railway Second 6s of 1923, and to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.
- Trustee:** Fidelity Trust Company, Philadelphia.

The Sunbury, Hazleton & Wilkes-Barre Railway Company was incorporated May 1, 1878, as a reorganization of the Danville, Hazleton & Wilkes-Barre Railway Company, which had been sold under foreclosure March 20, 1878. From May 1, 1878, it was leased to the Pennsylvania Railroad Company for 50 years. In 1900 the company was consolidated with the Schuylkill & Juanita Railroad Company and the two were merged in 1902 into the Pennsylvania Railroad Company System.

These bonds sold in 1906 on a 4.75 to 4.88 basis

1907	4.75	5.25
1908	4.80	5.00
1909	5.00	(bid)
1910	5.00	
1911	5.00	(bid)
December, 1912	4.50	(bid)

These bonds are considered a legal investment for savings banks in New England except in Vermont.

SUNBURY, HAZLETON & WILKES-BARRE RAILWAY

Second Mortgage 6s

Dated May 1, 1878

Maturing May 1, 1938

Interest payable May 1 and November 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$100, \$500 and \$1,000, fully registerable.

Authorized \$1,350,000

Outstanding \$1,349,500
Per mile . . . 31,400

The Pennsylvania Railroad Company owns \$498,000 of the \$1,349,500 bonds outstanding.

Security: The above bonds are secured by a second mortgage on the same property covered by the first mortgage of the Sunbury, Hazleton & Wilkes-Barre First 5s of 1928 (see above).

The bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: These bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

For history of the Sunbury, Hazleton & Wilkes-Barre Railway Company, see page 603.

These bonds sold in 1906 on a 4.35 to 4.50 basis

1907	4.40	4.55
1908	4.40	4.90
1909	4.45	(bid)
1910	4.55	4.70
1911	4.55	(bid)
December, 1912	4.75	(bid)

The above bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

SUNBURY & LEWISTOWN RAILWAY

First Mortgage 4s

Dated July 1, 1896

Maturing July 1, 1936

Interest payable January 1 and July 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$600,000

Outstanding \$500,000

Per mile . . . 9,000

Security: The above bonds are secured by a first mortgage on the company's line from Selinsgrove Junction to Milroy, Pa., 55.75 miles; also on lands, buildings, equipment, franchises and incomes.

These bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: The bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s, and 3½s of 1919-1948.

Trustee: Guaranty Trust & Safe Deposit Company, Philadelphia.

The Sunbury & Lewistown Railway Company was incorporated October 1, 1896, as a consolidation of the Sunbury & Lewistown Railway and the Mifflin & Center County Railroad Companies. The property of the company was leased to the Pennsylvania Railroad Company for 79 years from October 1, 1896, at a rental equal to operating expenses and one-half interest in net earnings from operation after the payment of interest on outstanding bonds. The company was consolidated into the Schuylkill & Juanita Railroad Company in 1900, and the latter was merged into the Pennsylvania Railroad Company System in 1902.

These bonds sold in 1909 on a 4.00 to 4.45 basis

1910	4.30	(bid)
1911	4.20	(bid)
December, 1912	4.25	(bid)

These bonds are considered a legal investment for savings banks in New England except in Vermont.

WEST CHESTER RAILROAD

First Mortgage 5s

Dated September 1, 1879

Maturing September 1, 1919

Interest payable March 1 and September 1 at the Broad Street Station, Philadelphia.

Registered bonds of \$100, \$500 and \$1,000.

Authorized \$75,000

Outstanding \$75,000

Per mile . . . 15,000

Security: The above bonds are secured by a first mortgage on the company's line from Morstein to West Chester, Pa., 5.22 miles; also on lands, buildings, equipment, franchises and incomes.

The bonds have been ASSUMED by the Pennsylvania Railroad Company.

Sinking fund: "The company agrees that it will on August 1, 1880, and semi-annually thereafter, whenever any of the bonds can be purchased at or under their par value, appropriate and apply out of the net earnings of the six months, when sufficient therefor, a sum equal to one-half of one per cent upon all the bonds that may have been issued under this mortgage, to the purchase of such bonds, and when so purchased, cancel the same; and also agrees that, in addition to said sum, there shall be set apart, for like purpose of purchasing said bonds, a sum equal to the interest of the bonds so purchased and cancelled."

Equity: The bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

The West Chester Railroad Company was incorporated February 13, 1831, and its road was opened for traffic September 13, 1832. It was leased to the Pennsylvania Railroad Company for 99 years from August 6, 1879, and was merged into the Pennsylvania Railroad Company System in 1903.

These bonds are considered a legal investment for savings banks in New England except in Vermont.

WESTERN PENNSYLVANIA RAILROAD

Consolidated Mortgage 4s

Dated June 1, 1888

Maturing June 1, 1928

Interest payable June 1 and December 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Outstanding \$4,000,000

Per mile . . . 29,200

Security: These bonds are secured by a first mortgage on 136.59 miles of the company's line, including the road from Conpitt Junction to Allegheny, Pa., and branches, 113.57 miles; also on additions, extensions, branches, lands, buildings, rolling stock, franchises, incomes, etc.

The bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: The bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

Trustee: Provident Life & Trust Company, Philadelphia.

The Western Pennsylvania Railroad Company was chartered February 9, 1853, as the North-western Pennsylvania Railroad Company. It was sold under foreclosure July 5, 1859, and the existing company was organized March 1, 1864. The property of the company was leased in 1897 for 50 years to the Pennsylvania Railroad Company. It was merged into the Pennsylvania Railroad Company System in 1903.

These bonds sold in 1907 on a 3.75 to 3.95 basis

1908	3.80	3.95
1909	4.00	(bid)
1910	4.05	
1911	4.05	(bid)
December, 1912	4.12	

These bonds are considered a legal investment for savings banks in New England.

JUNCTION RAILWAY

General Mortgage 3½s

Dated April 3, 1900

Maturing April 1, 1930

Interest payable April 1 and October 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$725,000

Outstanding \$725,000

Of the bonds outstanding \$300,000 were held in the Employees Saving Fund and \$161,000 were owned by the Pennsylvania Railroad Company on December 31, 1911.

Security: The bonds are secured by a first mortgage on 3.31 miles of road in Philadelphia, including the track from Belmont Junction to Junction Tunnel, and from Gray's Ferry to the north end of the Market Street Tunnel; also on lands, buildings, franchises and incomes.

These bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: The bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

The Junction Railroad Company was chartered May 3, 1860, and its road was opened for traffic July 1, 1866. It was leased to the Philadelphia, Baltimore & Washington Railroad Company for 50 years from March 1, 1899, the lessee guaranteeing fixed charges, maintenance charges and 6% on the company's outstanding capital stock. The property of the company was merged into the Pennsylvania Railroad Company System in April, 1908.

These bonds are considered a legal investment for savings banks in New England except in Vermont.

PHILADELPHIA & ERIE RAILROAD

General Mortgage 4s, 5s and 6s

Dated July 1, 1869

Maturing July 1, 1920

Interest payable on 6s, January 1 and July 1 at Broad Street Station, Philadelphia, and in London in Sterling; on 5s and 4s, April 1 and October 1 at Broad Street Station, Philadelphia.

Bonds of \$1,000, 6s in coupon form, 4s and 5s registered.

Authorized \$20,000,000

Outstanding (6s)	\$8,680,000
(5s)	5,263,000
(4s)	5,880,000
Per mile	69,000

Of the \$19,823,000 bonds outstanding, \$300,000 4s are held by the Savings Fund; \$100,000 6s by the Insurance Fund, and \$3,193,000 6s by the Pennsylvania Railroad Company, on December 31, 1911.

Security: The above bonds are secured by a first mortgage on 287.54 miles of the company's line, extending from Sunbury to Erie, Pa., also on lands, buildings, equipment, etc., but not on branches hereafter constructed.

The bonds have been ASSUMED by the Pennsylvania Railroad Company.

Equity: These bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

The Philadelphia & Erie Railroad Company was chartered April 3, 1837, as the Sunbury & Erie Railroad Company. Its construction was commenced in 1852 and was completed in October, 1864. The property of the company was leased to the Pennsylvania Railroad Company for 999 years from January 1, 1862. It was merged into the Pennsylvania Railroad Company's System in May, 1907.

The General 4s of 1920 were quoted in 1909 on a 4.00 basis (bid)	
sold in 1910	3.87 to 4.12
quoted in 1911	4.00 (bid)
December, 1912	4.12 (bid)

The General 5s of 1920 were quoted in December, 1912, on a 4.40 basis (bid)

The General 6s of 1920 sold in 1906 on a 3.75 to 3.87 basis	
1907	3.85 4.05
1908	3.85
1909	4.15 (bid)
1910	4.05
1911	4.15 (bid)
December, 1912	4.50 (bid)

These bonds are considered a legal investment for savings banks in New England.

SOUTH WEST PENNSYLVANIA RAILWAY

First Mortgage Sinking Fund 7s

Dated February 1, 1877

Maturing February 1, 1917

Interest payable February 1 and August 1 at the Broad Street Station, Philadelphia.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$862,000
Per mile . . . 6,900

Security: The above bonds are secured by a first mortgage on the company's line from Greensburg to Fairchance, Pa., and branches, 124.83 miles; also on incomes, franchises, lands, buildings and rolling stock now owned or hereafter acquired.

These bonds have been ASSUMED by the Pennsylvania Railroad Company.

Sinking fund: The company agrees to purchase and cancel semi-annually five of these bonds, and to appropriate a sum equivalent to their interest, whenever such bonds are purchasable at not exceeding par and interest and when the net earnings are sufficient therefor.

Equity: These bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

The South West Pennsylvania Railroad Company was organized in 1871, and its road was thrown open to traffic in 1873. Its property was leased to the Pennsylvania Railroad Company in April, 1873, and was merged into the Pennsylvania Railroad Company System in April, 1906.

These bonds are considered a legal investment for savings banks in New England.

ALLEGHENY VALLEY RAILWAY

General Mortgage 4s

Dated March 1, 1892

Maturing March 1, 1942

Interest payable March 1 and September 1 at the American Exchange National Bank, New York, and at the Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$20,000,000

Outstanding \$20,000,000
Per mile . . . 75,750

Security: The above bonds are secured by a first mortgage on 263.70 miles of the company's road, including the line from Pittsburg to Oil City, Pa., 131.98 miles and from Red Bank Junction to Driftwood, Pa., 109.96 miles; also on branches, additions, lands, buildings, rolling stock, franchises, incomes, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Equity: These bonds are prior in lien to the Pennsylvania Railroad Consolidated 5s, 4s and 3½s of 1919-1948.

Trustee: Fidelity Title & Trust Company, Pittsburgh.

The Allegheny Valley Railway Company was incorporated March 2, 1892, as a reorganization of the Allegheny Valley Railroad Company, whose property was sold under foreclosure December 15, 1891. In April, 1910, the Pennsylvania Railway Company acquired all the corporate rights, franchises and property of the Allegheny Valley Railroad Company, and the corporate existence of the latter was terminated.

These bonds sold in 1902 on a 3.57 to 3.65 basis

1903	3.67	3.85
1904	3.85	3.88
1905	3.77	
1906	3.75	3.85
1907	4.05	
1908	4.00	4.05
1909	3.85	4.00
1910	3.85	4.00
1911	3.98	4.02
1912	4.00	4.05

These bonds are considered a legal investment for savings banks in New England except in Vermont.

PHILADELPHIA, WILMINGTON & BALTIMORE RAILROAD

Stock Trust 4% Certificates

Dated July 1, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at the office of the Pennsylvania Company for Insurance on Lives and Granting Annuities, Philadelphia.

Registered certificates of \$1,000.

Authorized \$10,000,000

Outstanding \$7,344,000

Security: The above certificates were issued by the trustee and are secured by an equal amount at par of the company's stock. Dividends from such stock are to be applied to the payment of interest on these certificates, also taxes and expenses of the trust, and for the sinking fund.

The Pennsylvania Railroad Company agrees, providing that dividends declared on the stock held are inadequate to meet the above charges, to make up such deficit as appears to the trustee for the benefit of the certificate holders.

Sinking fund: \$2,656,000 of the amount authorized have been redeemed by the sinking fund, which provides that an amount equal to one-half of 1% of the outstanding certificates shall be applied semi-annually to the purchase, at not exceeding par, and cancellation of such certificates. If none are so purchasable, the money reverts to the Pennsylvania Railroad Company.

Trustee: Pennsylvania Company for Insurance on Lives and Granting Annuities, Philadelphia.

The Philadelphia, Wilmington & Baltimore Railroad Company was chartered February 5, 1838, as a consolidation of the Philadelphia & Delaware County Railroad, the Wilmington & Susquehanna Railroad, the Delaware & Maryland Railroad and the Baltimore & Port Deposit Railroad Companies. Through various absorptions the company's system grew to nearly 700 miles, when it was consolidated in November, 1902, into the Philadelphia, Baltimore & Washington Railroad Company.

These bonds sold in 1909 on a 3.98 basis	
1910	3.95 to 4.10
1911	4.05 (bid)
December, 1912	4.20 (bid)

NEW YORK, PHILADELPHIA & NORFOLK RAILROAD

Stock Trust 4% Certificates

Dated June 30, 1908

Maturing June 1, 1948

Interest payable June 1 and December 1 at the office of the Fidelity Trust Company, Philadelphia.

Coupon certificates of \$1,000, registerable as to principal.

Authorized \$7,500,000

Outstanding \$7,478,250

Security: The above certificates are secured by deposit of \$2,492,750 capital stock of the New York, Philadelphia & Norfolk Railroad Company.

The Pennsylvania Railroad Company agrees to provide such amounts as may be needed to pay the principal and interest on these certificates.

Trustee: Fidelity Trust Company, Philadelphia.

The New York, Philadelphia & Norfolk Railroad Company was chartered September 27, 1881, as the successor to the Peninsular Railroad Company of Virginia. It was reorganized without foreclosure or change of name in January, 1899. In 1908 the Pennsylvania Railroad Company offered the stockholders of the New York, Philadelphia & Norfolk Railroad Company an exchange of \$3,000 in these certificates for each \$1,000 par value of their stock.

These certificates sold in 1905 on a 3.75 to 4.65 basis	
1906	2.95 3.20
1907	2.80 2.90
1908	2.50 3.30

These certificates are considered a legal investment for savings banks in New Hampshire.

PENNSYLVANIA RAILROAD

Collateral Trust Sinking Fund $4\frac{1}{2}\%$

Dated June 1, 1883

Maturing June 1, 1913

Interest payable June 1 and December 1 at the Provident Life & Trust Company, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$9,786,000

Security: The above bonds were originally secured by a first mortgage on bonds deposited with the trustee of a total par value of \$12,500,000, the appraised value being the same as the par value. The company has the right to substitute other securities of equal value.

Sinking fund: \$214,000 of the amount authorized have been redeemed by the sinking fund, which provides that an amount equal to one-half of 1% of the bonds issued, together with interest at $4\frac{1}{2}\%$ on bonds theretofore purchased, shall be used semi-annually to purchase these bonds at not exceeding par. If bonds are not so obtainable, the fund for that period, or the amount unused, shall be paid into the treasury of the company.

Trustee: The Provident Life & Trust Company, Philadelphia.

The bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA RAILROAD

Convertible $3\frac{1}{2}\%$

Dated October 2, 1905

Maturing October 1, 1915

Interest payable June 1 and December 1 at the American Exchange National Bank, New York,
or at Philadelphia.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.
Registered bonds of \$1,000 and multiples.

Authorized \$100,000,000

Outstanding \$86,827,000

Security: The above bonds, although not secured by a mortgage, are a direct obligation of the company.

Redemption: The bonds are redeemable at par and interest at the option of the company, on any interest date on 90 days' notice.

Conversion: The bonds may be converted into stock at 150%, or \$75 per share, at the option of the holder, at any time, unless called for redemption, in which event the holder shall have the right to convert bonds into stock, up to 30 days prior to the date of redemption. On December 31, 1911, \$13,173,000 bonds had been converted into stock.

Trustee: Girard Trust Company, Philadelphia.

These bonds sold in 1905 on a 3.20 to 3.80 basis

1906	3.38	4.60
1907	4.15	6.00
1908	4.05	5.55
1909	3.60	4.50
1910	4.05	4.70
1911	4.25	4.63
1912	4.25	4.75

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA RAILROAD

Real Estate Purchase Money 4s

Dated May 1, 1893

Maturing May 1, 1923

Interest payable May 1 and November 1 at the Farmers' Loan & Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$2,000,000

Outstanding \$2,000,000

Security: The above bonds are secured by a first mortgage on all the property, rights, title and interest of the company, now owned or hereafter acquired, in Piers Nos. 3, 4 and 5 on West Street, New York City; also on wharves, franchises, rents, etc.

Trustee: Farmers' Loan & Trust Company, New York.

These bonds sold in 1902 on a 3.30 to 3.62 basis

1903	3.55	4.00
1904	3.45	3.67
1905	3.32	3.55
1906	3.50	3.67
1907	3.65	3.90
1908	3.55	3.85
1909	3.55	3.72
1910	3.65	3.80
1911	3.80	3.95
December, 1912	3.88	(bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

HARRISBURG, PORTSMOUTH, MOUNT JOY & LANCASTER RAILROAD

First Mortgage 4s

Dated July 1, 1853

Maturing July 1, 1913

Interest payable January 1 and July 1 at the Company's office, Philadelphia.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$700,000

Per mile . . . 13,200

Originally these bonds were to mature July 1, 1883, but were extended to July 1, 1913, the interest being reduced from 6% to 4%.

Security: The above bonds are secured by a first mortgage on the company's line from Harrisburg to Dillerville, Pa., and branch from Middletown to Columbia, Pa., totalling 52.57 miles, including all lands, depots, buildings, franchises, income and profits.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company under the terms of its lease.

Trustee: Girard Trust Company, Philadelphia.

The Harrisburg, Portsmouth, Mount Joy & Lancaster Railroad Company was chartered June 9, 1832, and its road was opened for traffic in the fall of 1838. The property of the company was leased for 999 years from January 1, 1861, to the Pennsylvania Railroad Company, the latter agreeing to pay as rental all expenses, interest on outstanding bonds and 7% on the capital stock.

These bonds are considered a legal investment for savings banks in New England except in Vermont.

CAMBRIA & CLEARFIELD RAILROAD

First Mortgage 5s

Dated January 1, 1891

Maturing January 1, 1941

Interest payable January 1 and July 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,279,000

Per mile . . . 12,500

Of the total amount of bonds outstanding as above, \$501,000 are held in the treasury of the Pennsylvania Railroad Company. The mortgage has been closed.

Security: The above bonds are secured by a first mortgage on the company's lines, totalling 101.64 miles, including the line from Cresson to Hoover's Mill Junction, Pa., and a branch to Cherry Tree. They are further secured by a first mortgage on all lands, buildings, rolling stock and franchises now owned or hereafter acquired, and all incomes of the company.

These bonds have been ASSUMED by the Cambria & Clearfield Railway Company.

Equity: The above bonds are prior in lien to the Cambria & Clearfield Railway General Mortgage 4s of 1955, a sufficient amount of which has been reserved to retire this issue at maturity.

Trustee: Girard Trust Company, Philadelphia.

The Cambria & Clearfield Railroad was chartered January 13, 1887, and its line was opened for traffic September 24, 1888. From the date of its opening it was leased to the Pennsylvania Railroad Company.

It was consolidated with several other companies into the Cambria & Clearfield Railway Company in 1903. The latter is controlled by the Pennsylvania Railroad Company through ownership of practically its entire capital stock.

These bonds sold in 1904 on a 4.75 to 4.80 basis

1908	4.40	5.00
1909	4.70	(bid)
1910	4.55	(bid)
1911	4.70	(bid)
December, 1912	4.90	(bid)

These bonds are considered a legal investment for savings banks in Maine.

PENNSYLVANIA & NORTHWESTERN RAILROAD

General Mortgage 5s

Dated January 6, 1890

Maturing January 1, 1930

Interest payable January 1 and July 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,500,000

Outstanding \$1,021,000
Per mile . . . 13,250

This mortgage has been closed.

Security: The above bonds are secured by a direct mortgage on 77.09 miles of railroad belonging to the company. It is secured by a first mortgage on 15.55 miles and by a second mortgage on 61.54 miles of road covered by the first mortgages of the Bell's Gap Railroad Consolidated 6s of 1913 and the Clearfield & Jefferson Railroad First 6s of 1927.

These bonds have been ASSUMED by the Cambria & Clearfield Railway Company.

Equity: The above bonds are prior in lien to the Cambria & Clearfield Railway General Mortgage 4s of 1955, a sufficient amount of which has been reserved to retire this issue at maturity.

Trustee: Guarantec Trust & Safe Deposit Company, Philadelphia.

The Pennsylvania & Northwestern Railroad Company was organized December 27, 1889, as a consolidation of the Bell's Gap Railroad and the Clearfield & Jefferson Railway Companies. The control of the company was acquired by the Pennsylvania Railroad Company on February 20, 1902,

and together with several other companies, it was consolidated on June 25, 1903, into the Cambria & Clearfield Railway Company, which is controlled by the Pennsylvania Railroad Company through ownership of practically its entire capital stock.

These bonds sold in 1906 on a 4.20 to 4.40 basis

1907	4.30	4.45
1909	4.40	(bid)
1910	4.40	(bid)
1911	4.40	(bid)
December, 1912	4.50	(bid)

BELL'S GAP RAILROAD

Consolidated Mortgage Sinking Fund 6s

Dated April 2, 1883

Maturing April 1, 1913

Interest payable April 1 and October 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$200,000

Outstanding \$145,000

Per mile . . . 6,000

This mortgage has been closed.

Security: The above bonds are secured by a first mortgage on all the railroad of the company from Bellwood to Witmer (Irvona), Pa., 24.12 miles, including all extensions thereof, together with lands, buildings, rolling stock and incomes.

These bonds have been ASSUMED by the Cambria & Clearfield Railway Company.

Sinking fund: In any year in which a dividend is paid on the capital stock, \$5,000 is to be applied to the purchase of these bonds at not exceeding par, or, if not so used, to be invested in other securities.

Equity: The above bonds are prior in lien to the Pennsylvania & Northwestern General 5s of 1930 and to the Cambria & Clearfield Railway General 4s of 1955, a sufficient amount of which has been reserved to retire this issue at maturity.

Trustee: Guarantee Trust & Safe Deposit Company, Philadelphia.

The Bell's Gap Railroad Company was chartered June 13, 1872. Its road was opened complete in 1882. The property of the company was merged with that of the Clearfield & Jefferson Railway Company December 27, 1889, forming the Pennsylvania & Northwestern Railroad Company. The latter, with several other companies, was consolidated into the Cambria & Clearfield Railway Company in 1903, the capital stock of which is almost entirely owned by the Pennsylvania Railroad Company.

These bonds sold in 1902 on a 3.65 basis

These bonds were quoted in 1909 4.88 basis (bid)

1910	4.90
1911	4.90

These bonds are considered a legal investment for savings banks in Maine.

CLEARFIELD & JEFFERSON RAILWAY

First Mortgage 6s

Dated July 8, 1886

Maturing January 1, 1927

Interest payable January 1 and July 1 at the Broad Street Station, Philadelphia.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 27,000

Security: The above bonds are secured by a first mortgage on the entire railroad of the company, extending from the terminus of the Bell's Gap Railroad at Ivrona to Horatio, Pa., 37.42 miles, together with all lands, buildings, rolling stock, franchises and incomes.

These bonds have been ASSUMED by the Cambria & Clearfield Railway Company, having previously been GUARANTEED as to PRINCIPAL and INTEREST by the Bell's Gap Railroad Company.

Equity: The above bonds are prior in lien to the Pennsylvania & Northwestern General 5s of 1930, and to the Cambria & Clearfield General 4s of 1935, a sufficient amount of which has been reserved to retire this issue at maturity.

Trustee: Guarantee Trust & Safe Deposit Company, Philadelphia.

The Clearfield & Jefferson Railway Company was organized in February, 1885, to construct an extension from Bell's Gap Railroad to a connection with the Buffalo, Rochester & Pittsburgh Railroad at Punxsutawney, a distance of about 40 miles. The road was completed 16 miles when the stocks and bonds outstanding were taken over by the Bell's Gap Railroad Company's stockholders, who paid \$500 cash for \$500 of each issue. The property of the company was merged with the property of the Bell's Gap Railroad Company December 27, 1889, forming the Pennsylvania & Northwestern Railroad Company. The latter, with several other companies, was consolidated into the Cambria & Clearfield Railway in 1903, the capital stock of which is almost entirely owned by the Pennsylvania Railroad Company.

These bonds sold in 1906 on a 4.20 basis

1908	4.75
1909	4.60 (bid)
1910	4.55 (bid)
1911	4.55 (bid)
December, 1912	4.60 (bid)

These bonds are considered a legal investment for savings banks in Maine.

CAMBRIA & CLEARFIELD RAILWAY

General Mortgage Sinking Fund 4s

Dated February 1, 1905

Maturing February 1, 1955

Interest payable February 1 and August 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000.

Authorized \$7,500,000

Outstanding \$1,255,000
Per mile . . . 3,150

Provisions of issue: Of the total amount authorized, \$1,255,000 are outstanding as above. \$3,445,000 have been reserved to retire underlying liens, and \$2,800,000 have been reserved for general corporate purposes.

Security: The above bonds are secured by a direct mortgage on 398.86 miles of road, together with branches and extensions, buildings, depots, rolling stock, and all other estate, real or personal, belonging to the company. The bonds are secured by a first mortgage on 220.13 miles including the lines from Vail to Grampian, from Cresson to Ivrona, and from Ebensburg to Black Lick; by a second mortgage on 117.19 miles covered by the first mortgages of the Cambria & Clearfield Railroad First 5s of 1941, and the Pennsylvania & Northwestern Railroad General 5s of 1930; and by a third mortgage on 61.54 miles covered by the first mortgages of the Bell's Gap Railroad Consolidated 6s of 1913 and the Clearfield & Jefferson First 6s of 1927.

Sinking fund: Commencing February 1, 1906, and annually thereafter, the company shall appropriate a sum sufficient to purchase at par, and cancel, 1% of the bonds outstanding and also appropriate a sum equal to the interest on the bonds thus cancelled. If bonds are not purchased, the proceeds of the sinking fund at the time shall revert to the treasury of the company.

Trustee: Commercial Trust Company, Philadelphia.

The Cambria & Clearfield Railway Company was formed June 25, 1903, as a consolidation of the Pennsylvania & Northwestern Railroad, the Millersburg Railroad, the Cambria & Clearfield Railroad, the Cresson & Ivrona Railroad, the Ebensburg & Black Lick Railroad, the Tyrone & Clearfield Railway Companies. Of its \$4,835,912 capital stock, the Pennsylvania Railroad Company owns \$4,833,850.

JOHNSONBURG RAILROAD

First Mortgage 6s

Dated January 16, 1889

Maturing March 1, 1929

Interest payable March 1 and September 1 at Guarantee Trust & Safe Deposit Company, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$200,000

Outstanding \$200,000
Per mile . . . 10,000

Security: The above bonds are secured by a first mortgage on the entire line of the company, extending from Johnsonburg to Clermont, Pa., 19.65 miles, including all depots, and other property,

both real and personal, now owned or hereafter acquired, also all franchises, incomes and profits.

Trustee: Guarantee Trust & Safe Deposit Company, Philadelphia.

The Johnsonburg Railroad Company was chartered March 14, 1887, and its road was opened for traffic the following year. It was leased to the Pennsylvania Railroad Company for 50 years from July 8, 1889, at a rental equal to net earnings of the property, after operating expenses, taxes and interest had been paid. The property of the company is operated as an integral part of the Pennsylvania Railroad Company System. The latter company owns \$150,000 each of its capital stock and funded debt.

These bonds are considered a legal investment for savings banks in Maine.

UNITED NEW JERSEY RAILROAD & CANAL COMPANY

General Mortgage 4s and 3½s. Mortgage dated April 20, 1871

(1) General 4s

Dated 1883

Maturing February 1, 1923

Interest payable February 1 and August 1 at Company's office, Philadelphia.

Registered bonds of \$1,000.

Listed on Philadelphia Stock Exchange

Outstanding \$1,824,000

(2) General 4s

Dated 1889

Maturing September 1, 1929

Interest payable March 1 and September 1 at Company's office, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Outstanding \$6,020,000

(3) General 4s

Dated 1894

Maturing March 1, 1944

Interest payable March 1 and September 1 at National Bank of Commerce, New York,
and Company's office, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Listed on New York and Philadelphia Stock Exchanges

Outstanding \$5,646,000

(4) General 3½s

Dated 1901

Maturing March 1, 1951

Interest payable March 1 and September 1 at the National Bank of Commerce, New York,
and at the Company's office, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Outstanding \$5,669,000

(5) General 4s

Dated 1908

Maturing September 1, 1948

Interest payable March 1 and September 1 at the Company's office, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.

Outstanding \$841,000

Total authorization \$20,000,000

Outstanding \$20,000,000

Per mile . . . 137,000

Security: The above bonds are a direct obligation of the company, and are secured by a first mortgage on the Delaware & Raritan Canal, connecting the Delaware and Raritan Rivers with appurtenances thereof and franchises (66 miles). They are further secured by a first mortgage on the company's road from Camden to South Amboy, N. J., from Trenton to Jersey City and branches, totalling 146.02 miles, together with terminal property at Jersey City, also buildings, rolling stock now owned or hereafter acquired, and franchises. The lien does not include the "Harsimus Cove property" and the branch road thereto and property at Hoboken and lands not used for canal or railroad purposes.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company under the terms of its lease.

Trustee: Fidelity Trust Company, Philadelphia.

The United New Jersey Railroad & Canal Company was organized in 1872 as a consolidation of the Delaware & Raritan Canal Company, the Camden & Amboy Railroad & Transportation Company and the New Jersey Railroad & Transportation Company. It was leased in May, 1871, to the Pennsylvania Railroad Company for 999 years at a rental of 10% on the total share capital and interest on all outstanding debts. The lessees took possession of the properties December 1, 1871, and have since operated them.

The General 4s of 1923 sold in 1906 on a 3.85 basis

1907	3.85
1908	3.77
1909	3.80 (bid)
1910	3.80 to 4.00
1911	4.00 (bid)
December, 1912	4.10 (bid)

The General 4s of 1929 were quoted in 1909 on a 3.85 basis (bid)

1910	3.95
1911	3.95
December, 1912	4.05

The General 4s of 1944 sold in 1904 on a 3.50 basis

1909	3.80 (bid)
1910	3.77 to 3.85
1911	3.90
December, 1912	4.05 (bid)

The General 3½s of 1951 were quoted December, 1912, on a 4.12 basis (bid).

These bonds are considered a legal investment for savings banks in New England.

PHILADELPHIA, GERMANTOWN & CHESTNUT HILL RAILROAD

First Mortgage $4\frac{1}{2}\%$

Dated May 1, 1883

Maturing May 1, 1913

Interest payable May 1 and November 1 at the Broad Street Station, Philadelphia.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000

Per mile . . . 77,000

Security: The above bonds are secured by a first mortgage on 13.16 miles of the company's road from Germantown Junction to Chestnut Hill and Fort Hill, Pa., together with lands, buildings, rolling stock, franchises and all incomes.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company under the terms of its lease, and have been ASSUMED by the Connecting Railway Company.

Sinking fund: Each year the company agrees to set aside from net earnings an amount sufficient to purchase \$10,000 of these bonds at not exceeding par. If bonds are not purchasable at that price, the sum is returned to the treasury and added to the amount to be paid in any subsequent year.

Equity: The above bonds are prior in lien to the Connecting Railway First Mortgage 4s of 1951, a sufficient amount of which has been reserved to retire this issue at maturity.

The Philadelphia, Germantown & Chestnut Hill Railroad was projected in 1882. It was leased from May 1, 1883, for 30 years to the Pennsylvania Railroad Company at a rental equal to $4\frac{1}{2}\%$ interest on the above bonds. On January 1, 1902, this road, with others, was consolidated into the Connecting Railway Company, which is leased to the Pennsylvania Railroad Company.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CONNECTING RAILWAY COMPANY

First Mortgage 4s

Dated June 21, 1911

Maturing March 15, 1951

Interest payable March 15 and September 15 at Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$15,000,000

Outstanding \$2,079,000

Per mile . . . 57,000

Provisions of issue: Of the \$15,000,000 authorized, \$1,000,000 are reserved to provide for the retirement of the Philadelphia, Germantown & Chestnut Hill $4\frac{1}{2}\%$ of 1913, \$11,921,000 are reserved for extensions, etc., and \$2,079,000 are in the hands of the public, as above.

Security: The above bonds are secured by a direct mortgage on 35.98 miles of the company's road, also on branches, extensions, sidings, future acquisitions, franchises, incomes and profits. They are secured by a first mortgage on 22.82 miles, including the line from a point near Frankford Junction to Girard Avenue, West Philadelphia. They are secured by a second mortgage on the 13.16 miles covered by the first lien of the Philadelphia, Germantown & Chestnut Hill First 4s of 1913.

The bonds are GUARANTEED as to INTEREST by the Pennsylvania Railroad Company.

Trustee: Girard Trust Company, Philadelphia.

The Connecting Railway Company was chartered April 4, 1863, and its road was opened for traffic January 1, 1868. It was leased to the Philadelphia & Trenton Railroad Company, which, in turn, is leased for 999 years to the Pennsylvania Railroad Company. The latter owns the entire outstanding stock of the Connecting Railway Company.

BELVIDERE DELAWARE RAILROAD

Consolidated Mortgage Sinking Fund 4s and 3½s Mortgage dated December 1, 1875

(1) Consolidated 4s

Dated 1885 Maturing September 1, 1925
Interest payable March 1 and September 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.
Outstanding \$500,000

(2) Consolidated 4s

Dated 1887 Maturing February 1, 1927
Interest payable February 1 and August 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.
Listed on the Philadelphia Stock Exchange Outstanding \$749,000

(3) Consolidated 4s

Dated 1893 Maturing January 1, 1933
Interest payable January 1 and July 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000. Registered bonds of \$1,000.
Outstanding \$416,000

(4) Consolidated 3½s

Dated 1903

Maturing January 1, 1943

Interest payable January 1 and July 1 at Broad Street Station, Philadelphia, and Bank of
Commerce, New York.

Coupon bonds of \$1,000, registerable as to principal.

Listed on the New York and Philadelphia Stock Exchanges

Outstanding \$972,000

Authorized \$4,000,000

Outstanding \$2,637,000

Per mile . . . 32,500

Security: The above bonds are secured by a first mortgage on the entire road of the company, totaling 81.06 miles, including the line from Trenton to Manunka Chunk, together with all buildings, lands, between the said termini, franchises, rolling stock and all incomes.

All the bonds of this issue, except the Consolidated 4s of 1933, have been GUARANTEED as to PRINCIPAL and INTEREST by the United New Jersey Railroad & Canal Company, by endorsement. The Pennsylvania Railroad Company has ASSUMED this guarantee.

Sinking fund: Beginning January 1, 1880, the company agrees to set aside out of net earnings an amount equal to 1% of all the bonds outstanding, to be applied annually to the purchase of these bonds at not exceeding 105. If in any year net earnings shall not equal 1% of the principal, the whole earnings shall be appropriated to the fund. If bonds cannot be purchased at 105, the fund may be invested in other lawful securities.

Trustee: Commercial Trust Company, Philadelphia.

The Belvidere Delaware Railroad Company was chartered March 2, 1835, and its road was completed on November 5, 1855. It was leased to the United New Jersey Railroad & Canal Company and operated as the Belvidere Division of the same until March 7, 1876, when the lease was assigned to the Pennsylvania Railroad Company. The lease will terminate in 2870. The capital stock of the Belvidere Delaware Railroad Company is entirely owned by the Pennsylvania Railroad and the United New Jersey Railroad & Canal Company.

The Consolidated 4s of 1925 were quoted in 1909 on a 3.90 basis (bid).

The Consolidated 4s of 1927 were offered in December, 1912, on a 4.27 basis (bid).

The Consolidated 4s of 1933 were quoted in 1909 on a 3.95 basis (bid).

The Consolidated 3½s of 1943 were sold in 1909 on a 3.90 basis	
were quoted in 1910	3.95 (bid)
1911	4.12
December, 1912	4.22

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

DELAWARE RIVER RAILROAD & BRIDGE COMPANY

First Mortgage Sinking Fund 4s

Dated August 1, 1896

Maturing August 1, 1936

Interest payable February 1 and August 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,300,000

Outstanding \$1,293,000

Per mile . . . 129,300

Security: The above bonds are secured by a first mortgage on the company's road from a junction of the Connecting Railway and Frankford Avenue, Philadelphia, to Haddenfield, a connection with the Camden & Burlington County Railroad, 9.52 miles, together with lands, depots, rolling stock now owned or hereafter acquired, franchises, income and profits.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Sinking fund: Beginning August 1, 1897, and annually thereafter, the company will set aside from net earnings an amount equal to 1% of the bonds outstanding, and apply the same to the purchase of these bonds at par and interest, and also, an additional sum, to be applied in like manner equal to the interest upon the bonds so purchased. If the bonds are not purchasable at par, the sum so appropriated shall be returned to the treasury of the company free from the obligations of the trust.

Trustee: Girard Trust Company, Philadelphia.

The Delaware River Railroad & Bridge Company was chartered March 17, 1896, and its road was opened for traffic April 19, 1896. The company is a consolidation of the Pennsylvania & New Jersey Railroad of Pennsylvania, and the Pennsylvania & New Jersey Railroad of New Jersey. It is operated and owned by the Pennsylvania Railroad Company.

These bonds were quoted in 1909 on a 4.12 basis (bid)

1910	4.65
1911	3.98
December, 1912	4.05

These bonds are considered a legal investment for savings banks in New England except in Vermont.

WESTERN NEW YORK & PENNSYLVANIA RAILWAY

First Mortgage 5s

Dated December 1, 1887

Maturing January 1, 1937

Interest payable January 1 and July 1 at New York Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$9,990,000

Per mile . . . 21,400

Security: The above bonds are secured by a first mortgage, or a first collateral trust, on 466.73 miles of road, and terminal properties, also on lands, depots, equipment now owned or hereafter acquired, franchises, incomes, and profits of the company. They are secured by a first mortgage on 464.41 miles of road, including the lines from Oil City, Pa., to Buffalo, N. Y., from Buffalo to Emporium Junction, Pa., from Olean, N. Y., to Warren, Pa., and from Irvineton to Oil City, Pa.; and by a first collateral trust on terminal property in Buffalo, also a lien on the rights and interests of the company in the franchises and properties of its subsidiaries.

Equity: These bonds are prior in lien to the company's General Mortgage 4s of 1943 and Income Mortgage 5s of 1943.

Trustee: Bankers' Trust Company, New York.

The Western New York & Pennsylvania Railway Company was incorporated March 18, 1895, as a reorganization of the Western New York & Pennsylvania Railroad Company. On August 1, 1900, the Pennsylvania Railroad Company leased its property for one year. This was extended to 20 years from August 1, 1903, at a rental equal to the net earnings of the company. Almost the entire capital stock of the company is owned by the Pennsylvania Railroad Company.

These bonds were quoted in December, 1912, on a 4.55 basis (bid).

WESTERN NEW YORK & PENNSYLVANIA RAILWAY

General Mortgage 4s

Dated April 1, 1895

Maturing April 1, 1943

Interest payable April 1 and October 1 at New York Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$10,000,000

Per mile . . . 20,500

Security: The above bonds are secured by a direct mortgage, or by collateral trust on 487.49 miles of road, together with lands, depots, rolling stock, franchises, incomes, etc. They are secured by a first mortgage on 20.76 miles of road; by a second mortgage on 464.41 miles covered by the first lien of the First Mortgage 5s of 1937; in effect a second mortgage on the terminal

property in Buffalo covered by the First Collateral Trust of the First Mortgage 5s of 1937 (which see); also a second mortgage on the rights and interests of the company in the franchises and properties of its subsidiaries.

Equity: These bonds are prior in lien to the company's Income Mortgage 5s of 1943.

Trustee: Union Trust Company, New York.

For history, see page 624.

These bonds were quoted December, 1912, on a 4.85 basis (asked).

WESTERN NEW YORK & PENNSYLVANIA RAILWAY

Income Mortgage 5s

Dated April 1, 1895

Maturing April 1, 1943

Interest payable November 1, when earned, at Fidelity Trust Company, Philadelphia.

Interest is non-cumulative.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Outstanding \$10,000,000

Per mile . . . 22,600

Provisions of issue: Of the \$10,000,000 outstanding, \$9,165,139 are owned by the Pennsylvania Railroad Company, \$439,861 are held by the public, and \$395,000 are held in the treasury of the company.

Security: The above bonds are secured by a direct mortgage or by collateral trust on 442.51 miles of road, including lands, interest, equipment and future acquisitions. They are secured on the property of the company subject to the First Mortgage 5s of 1937 and the General Mortgage 4s of 1943.

The indenture provides that interest shall be paid not exceeding 5% from net earnings for each year after deducting operating expenses, taxes and all other interest.

Trustee: Fidelity Trust Company, Philadelphia.

For history, see page 624.

These bonds were quoted December, 1912, at 30 (bid).

BOND DESCRIPTIONS OF CONTROLLED ROADS

Following are descriptions of bond issues of companies operated independently but controlled through stock ownership by the Pennsylvania Railroad Company:

WEST JERSEY & SEASHORE RAILROAD

First Consolidated Mortgage Sinking Fund $3\frac{1}{2}\%$ and 4s

Dated July 1, 1896

Maturing July 1, 1936

Interest payable January 1 and July 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$7,000,000

Outstanding in series	
"A" 4s	\$1,599,000
"B" $3\frac{1}{2}\%$	1,329,000
"C" $3\frac{1}{2}\%$	909,000
"D" 4s	1,017,000
"E" 4s	685,000
"F" 4s	999,000
Total per mile	\$19,600

Provisions of issue: Of the total amount authorized, \$6,538,000 are outstanding as above, \$372,000 have been retired by the sinking fund, and \$90,000 have been reserved to retire prior liens.

Security: The above bonds are secured by a direct mortgage on 336.72 miles of the company's road, together with branches and extensions, lands, buildings, franchises and incomes. They are secured by a first mortgage on 325.52 miles, including the lines from Camden to Atlantic City and Cape May; and by a second mortgage on 11.2 miles covered by the first lien of the Woodstown & Swedesboro First Mortgage 6s of 1912.

Sinking fund: Beginning July 1, 1897, and annually thereafter, the company will appropriate from its net earnings a sum equal to 1% of the outstanding bonds and apply the same to their purchase at par and interest, bonds so purchased to be cancelled and retained by the trustee. An additional sum, equal to the interest on the bonds, will be applied in the same manner. If bonds are not purchasable at par, the sum thus appropriated shall revert to the treasury of the company.

Trustee: Commonwealth Title, Insurance & Trust Company, Philadelphia.

The West Jersey & Seashore Railway Company was incorporated under the laws of New Jersey on May 4, 1896, as a consolidation of the West Jersey Railroad Company and its subsidiaries. In May, 1900, the company absorbed the property of the Delaware River Railway Company. A majority of the capital stock, both common and preferred, is owned by the Pennsylvania Railroad Company, also the United New Jersey Railroad and Canal Company holds an interest in the common stock of this company.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

NORTHERN CENTRAL RAILWAY

Consolidated General Mortgage 4½s. Series "E"

Dated May 26, 1874

Maturing April 1, 1925

Interest payable April 1 and October 1 at the Treasurer's office, Baltimore.

Coupon bonds of \$1,000.

Authorized \$10,000,000

Outstanding \$1,757,000

Series "E"

Per mile . . . 12,200

Security: The above bonds are secured by a second mortgage on 144.45 miles of the company's road, including the line from Baltimore to Sunbury, Pa., together with equipment, rolling stock, leaseholds, franchises, lands and buildings, subject to the first lien of the Northern Central Irredeemable 6s, owned by the State of Maryland.

Equity: These bonds are prior in lien to the company's Second General Mortgage Currency 5s of 1926.

Trustee: Fidelity Trust Company, Philadelphia.

The Northern Central Railway Company was organized December 9, 1854, as a consolidation of the Baltimore & Susquehanna Railroad, the York & Maryland Line Railroad, the York & Cumberland Railroad and the Susquehanna Railroad Companies. A controlling interest in the capital stock of this company is owned by the Pennsylvania Railroad Company. The latter's proposal to lease the property of this company at a rental of 8% on the stock and providing for a 40% increase on said stock was approved in April, 1911, by the Public Service Commission of Maryland. This lease will not become effective until two suits presented by the minority stockholders against the proposition have been settled.

These bonds sold in 1902 on a 3.50 to 3.70 basis

1904	3.65	3.85
1905	3.60	3.75
1906	3.85	3.90
1907	3.85	4.20
1908	3.80	4.05
1909	4.00	
1910	3.85	4.05
1911	4.10	(bid)
December, 1912	4.30	(bid)

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

NORTHERN CENTRAL RAILWAY

Second General Mortgage 5s

Dated January 1, 1876

Maturing January 1, 1926

Interest payable January 1 and July 1 at the Treasurer's office, Baltimore.

Coupon bonds of \$1,000.

Authorized \$5,000,000

Outstanding "Series A" \$2,565,000

"Series B" 1,000,000

Per mile 24,750

Security: The above bonds are secured by a third mortgage on 144.45 miles of the company's road, subject to the Northern Central Irredeemable 6s belonging to the State of Maryland and the Consolidated General Mortgage 4½s of 1925 (which see).

Sinking fund: For "Series A" the company agreed in 1880 and annually thereafter to apply \$30,000 to the purchase and redemption of those bonds. No bonds of "Series A" have been redeemed by the sinking fund, however, since 1894.

Trustee: Fidelity Trust Company, Philadelphia.

For history, see page 627.

"Series A" of this issue sold in 1902 on a 3.45 to 3.57 basis

1903	3.65	
1904	3.77	
1905	3.60	3.65
1906	3.70	3.85
1907	3.85	3.95
1908	4.12	4.15
1909	3.95	
1910	4.12	4.20
1911	4.10	(bid)
December, 1912	4.25	(bid)

"Series B" of this issue sold in 1902 on a 3.40 to 3.45 basis

1903	3.67	
1904	3.67	
1905	3.60	3.67
1906	3.80	
1908	4.15	4.35
1909	4.15	
1910	4.00	4.12
1911	4.10	(bid)
December, 1912	4.25	(bid)

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

ELMIRA & WILLIAMSPORT RAILROAD

First Mortgage 4s

Dated May 11, 1860

Maturing January 1, 1950

Interest payable January 1 and July 1 at Broad Street Station, Philadelphia.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$963,000
Per mile . . . 13,200

These bonds were extended January 1, 1880, and January 1, 1910, interest being reduced from 7% and from 6% respectively.

Security: The above bonds are secured by a first mortgage on the company's road from Williamsport, Pa., to Elmira, N. Y., 73.49 miles, together with lands, buildings, equipment and future acquisitions.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Northern Central Railway Company under the terms of its lease.

Convertibility: These bonds are convertible into the common stock of the company at any time.

The Elmira & Williamsport Railroad was leased in 1863 to the Northern Central Railway Company for 999 years, at an annual rental equal to the interest on outstanding bonds, taxes, operating expenses and dividends on stock. The Northern Central Railway Company is controlled by the Pennsylvania Railroad Company through ownership of practically its entire capital stock. The latter has guaranteed all payments under the lease.

These bonds sold in 1902 on a 3.35 basis

1903	3.70	to 4.50
1904	4.00	4.50
1905	4.30	
1906	4.10	4.80
1907	6.00	
1908	3.65	5.87
1909	4.60	4.95
1910	4.00	
1911	4.02	
December, 1912	4.05	(bid)

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ELMIRA & WILLIAMSPORT RAILROAD

Income 5s

Dated May 1, 1863

Maturing October 1, 1862

Interest payable April 1 and October 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$500.

Authorized \$570,000

Outstanding \$570,000

Security: The above bonds are a direct obligation of the Elmira & Williamsport Railroad Company, but are not secured by a mortgage. It is stated on the face of the bonds, however, that payments thereunder are GUARANTEED by the Pennsylvania Railroad Company.

For history, see page 629.

SODUS BAY & SOUTHERN RAILROAD

First Mortgage 5s

Dated July 1, 1884

Maturing July 1, 1924

Interest payable January 1 and July 1 at National Bank of Commerce, New York.

Coupon bonds of \$1,000.

Authorized \$500,000

Outstanding \$500,000

Per mile . . 14,700

Security: The above bonds are secured by a first mortgage on the company's road from Sodus Point to Stanley, N. Y., 34.06 miles, together with lands, buildings, equipment, franchises now owned or hereafter acquired and all incomes.

These bonds have been ASSUMED by the Elmira & Lake Ontario Railroad Company.

Trustee: Union Trust Company, New York.

The Sodus Bay & Southern Railroad Company was organized on March 19, 1862, as the Sodus Point & Southern Railroad Company. Its road was opened for traffic July 4, 1872. The company was reorganized after foreclosure as the Ontario Southern Railway in June, 1875, and in 1879 took the title of the Lake Ontario & Southern Railroad Company. After a second reorganization in September, 1882, its title was again changed to the present one. In 1886 the company was consolidated into the Elmira & Lake Ontario Railroad Company. The entire capital stock of the latter is owned, and the property is operated by the Northern Central Railway Company, which is controlled by the Pennsylvania Railroad Company.

These bonds sold in 1903 on a 4.85 basis

1909 5.00 (bid)

1910 5.00 (bid)

1912 5.05

BALTIMORE, CHESAPEAKE & ATLANTIC RAILWAY

First Mortgage 5s

Dated September 1, 1894

Maturing September 1, 1934

Interest payable March 1 and September 1 at Broad Street Station, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,250,000

Outstanding \$1,250,000
Per mile . . . 14,900

Security: The above bonds are secured by a first mortgage on the company's entire road, 87.66 miles, extending from Claiborne to Ocean City, Md., together with all buildings, equipment, steamboats, docks, terminal properties, franchises, incomes and profits.

Trustee: Metropolitan Trust Company, New York.

The Baltimore, Chesapeake & Atlantic Railway Company was organized under the laws of Maryland, September 1, 1894, as the successor to the Baltimore & Eastern Shore Railroad, the Eastern Shore Steamboat Company, the Maryland Steamboat Company and the Choptank Steamboat Company. It is controlled by the Pennsylvania Railroad Company and subsidiaries through ownership of practically all the capital stock.

These bonds were quoted in December, 1912, on a 5.00 basis (bid)

They are considered a legal investment for savings banks in Maine.

MARYLAND, DELAWARE & VIRGINIA RAILWAY

First Mortgage 5s

Dated February 1, 1905

Maturing February 1, 1955

Interest payable February 1 and August 1 at Treasurer's office, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$2,000,000
Per mile . . . 25,650

Security: The above bonds are secured by a first mortgage on the company's entire road, 78.33 miles, together with buildings, equipment, personal and real estate belonging to said railroad and branches, all steamboats, fourteen in number, docks, piers and terminal properties of the company wherever situated, also franchises, incomes and profits thereof.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Baltimore, Chesapeake & Atlantic Railway Company by endorsement.

Trustee: Girard Trust Company, Philadelphia.

The Maryland, Delaware & Virginia Railroad Company was chartered as the Queen Anne's Railroad Company under the laws of Maryland in 1894, and in Delaware in 1895. Its road was

opened for traffic March 1, 1898. The property was placed in the hands of a receiver February, 1904, was reorganized in January, 1905, and began operations February 1, 1905, under its present title. It is controlled by the Baltimore, Chesapeake & Atlantic Railway Company through the ownership of a majority of its capital stock. The latter, in turn, is owned by the Pennsylvania Railroad Company and subsidiaries through ownership of a majority of its capital stock.

NEW YORK, PHILADELPHIA & NORFOLK RAILROAD

First Mortgage 4s

Dated February 1, 1899

Maturing January 1, 1939

Interest payable January 1 and July 1 at 26 South 15th Street, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,000,000

Outstanding \$2,600,000
Per mile . . . 23,200

Provisions of issue: Of the \$3,000,000 bonds authorized, \$400,000 are reserved for betterments, and \$2,600,000 are in the hands of the public, as above.

Security: The bonds are secured by a first mortgage on 112 miles of road, including the line from Delmar, Del., to Cape Charles, Va., and a branch to Cristfield, Md., together with all property, real or personal, now owned and future acquisitions, for use in connection with the railroad, depots, equipment, rolling stock, all other railroads hereafter constructed, purchased or merged, tugs, barges, etc.

Equity: These bonds are prior in lien to the company's Income Mortgage 4s of 1939 (see following).

Trustee: Fidelity Trust Company, Philadelphia.

The New York, Philadelphia & Norfolk Railroad Company was chartered under the laws of Virginia September 27, 1881, as the successor to the Peninsular Railroad Company of Virginia. It was reorganized without foreclosure or change of name on January 24, 1899. It is controlled by the Pennsylvania Railroad Company through ownership of \$2,492,750 of the capital stock, acquired by exchanging the same for 4% Forty-year Pennsylvania Railroad Trust Certificates at the rate of \$1,000 in stock for \$3,000 in certificates.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

NEW YORK, PHILADELPHIA & NORFOLK RAILROAD

Income Mortgage 4s

Dated February 1, 1899

Maturing January 1, 1939

Interest payable May 1 and November 1 as declared by directors from net earnings.
Interest is non-cumulative.

Registered bonds of \$1,000.

Authorized \$1,000,000

Outstanding \$1,000,000
Per mile . . . 8,925

Security: The above bonds are a direct obligation of the New York, Philadelphia & Norfolk Railroad Company. They are secured by a second mortgage on the property covered by the first lien of the company's First Mortgage 4s of 1939 (which see).

Trustee: Fidelity Trust Company, Philadelphia.

The above bonds are considered a legal investment for savings banks in New Hampshire.

GIRARD POINT STORAGE COMPANY

First Mortgage 3½s

Dated April 1, 1890

Maturing April 1, 1940

Interest payable April 1 and October 1 at Treasurer's office, Philadelphia.

Registered bonds of \$1,000.

Authorized \$2,500,000

Outstanding \$2,043,000

Security: The above bonds are secured by a first mortgage on real estate at Girard Point and Point Breese, aggregating about 105 acres; together with present and future improvements and structures thereon, also franchises, incomes, etc.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Sinking fund: The company agrees to set aside annually \$20,000 to the purchase and cancellation of these bonds at not exceeding par and interest. If bonds are not purchasable at this price, the fund for the year reverts to the company.

Trustee: Fidelity Trust Company, Philadelphia.

The entire capital stock of the Girard Point Storage Company is owned by the Pennsylvania Railroad Company.

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Pennsylvania Company, together with the bases upon which they have sold during the decade ending December 31, 1912. Most of these issues have been guaranteed by the Pennsylvania Railroad Company, which owns the entire capital stock of the Pennsylvania Company.

PENNSYLVANIA COMPANY

First Mortgage 4½s

Dated April 1, 1881

Maturing July 1, 1921

Interest payable January 1 and July 1 at National City Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000,000

Outstanding \$19,467,000

Provisions of issue: Of the total amount authorized, \$19,467,000 are outstanding as above, and the balance, \$533,000, has been retired by the sinking fund.

Security: The above bonds are secured by a first mortgage on all the rights and interest of the company in the leases of the Pittsburgh, Fort Wayne & Chicago Railway for 999 years from 1869, the Cleveland & Pittsburgh Railroad for 999 years from 1871, the Erie & Pittsburgh Railroad for 999 years from 1870, and those of the New Castle & Beaver Valley Railroad and the Lawrence Railroad, both of which were consolidated into the Pittsburgh, Youngstown & Ashtabula Railroad. They are further secured by a first mortgage upon real estate of the company in Pittsburg, Allegheny and Chicago; also on stocks and bonds deposited with the trustees of a par value of about \$25,000,000.

These bonds have been GUARANTEED as to PRINCIPAL, INTEREST and SINKING FUND by the Pennsylvania Railroad Company.

Sinking fund: An annual sinking fund equal to 1% of the bonds outstanding is to be applied to their purchase at par and interest, bonds so purchased to be held alive in the sinking fund. If, in any year, bonds are not purchasable at or under par, the amount set aside in that year shall revert to the treasury of the company.

Trustee: The trustees of this issue at present named are W. H. Barnes, Esq., John P. Green, Esq., and N. P. Shortridge, Esq.

The Pennsylvania Railroad Company owns the entire \$80,000,000 capital stock of the Pennsylvania Company. The latter was chartered by the legislature of Pennsylvania April 7, 1870, for the purpose of managing, in the interest of the Pennsylvania Railroad Company, the railroads leased and controlled by that company west of Pittsburg. The Pennsylvania Company was organized April 1, 1871.

These bonds were sold in 1902 on a 3.52 to 3.80 basis

1903	3.65	3.90
1904	3.55	3.85
1905	3.57	3.80
1906	3.72	4.10
1907	3.85	4.50
1908	3.85	4.20
1909	3.75	4.05
1910	3.80	4.15
1911	3.95	4.15
1912	3.95	4.20

They are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

Series "A" Trust Mortgage $3\frac{1}{2}\%$ Certificates

Dated September 1, 1897

Maturing September 1, 1937

Interest payable March 1 and September 1 at Union Trust Company, New York.

Registered bonds of \$1,000.

Authorized \$5,000,000

Issued, Series "A" \$5,000,000
Outstanding 4,439,000

Provisions of issue: It is provided that the total certificates issued of Series "A," "B" and "C" together shall not exceed \$20,000,000. \$561,000 of Series "A" have been redeemed by the sinking fund.

Security: These certificates are a direct obligation of the Pennsylvania Company, and in case of a default of the latter, the Pennsylvania Railroad agrees to pay principal, interest and sinking fund. They are further secured by a deposit with the trustee of \$5,000,000 7% guaranteed special stock of the Pittsburgh, Fort Wayne & Chicago Railway Company.

In its indenture the company agrees not to increase the bonded debt of the Pittsburgh, Fort Wayne & Chicago Railway Company beyond its present limit, nor to reduce the dividend below 7% on the stock pledged hereunder, so long as these certificates remain unpaid.

Sinking fund: The Pennsylvania Company will pay annually, beginning August 15, 1898, \$50,000 to purchase these certificates at not exceeding par and interest. If, in any year, certificates are not purchasable at or under par, the sinking fund for that year shall lapse to the treasury of the company.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds were quoted in 1909 on a 4.15 basis (bid)

1910	4.10
1911	4.25
1912	4.20 to 4.25

They are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

Series "B" Trust Mortgage 3½% Certificates

Dated February 1, 1901

Maturing February 1, 1941

Interest payable February 1 and August 1 at American Exchange National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$10,000,000

Issued, Series "B" \$10,000,000

Outstanding 8,816,000

Provisions of issue: It is provided that the total certificates issued of Series "A," "B" and "C" together shall not exceed \$20,000,000. \$1,184,000 of Series "B" have been redeemed by the sinking fund.

Security: The same as for Series "A" (see page 637). They are secured by a deposit with the trustee of \$10,000,000 7% guaranteed special stock of the Pittsburgh, Fort Wayne & Chicago Railway Company.

Sinking fund: The same as for Series "A" except that the amount is \$100,000 annually.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds sold in 1902 on a 3.55 to 3.62 basis

1903	3.65	3.95
1905	3.80	3.85
1906	3.87	4.05
1907	4.40	4.50
1908	3.80	4.27
1909	3.98	4.10
1910	3.98	4.20
1911	4.15	4.20
1912	4.15	4.40

They are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

Series "C" Trust Mortgage 3½% Certificates

Dated December 1, 1902

Maturing December 1, 1942

Interest payable June 1 and December 1 at American Exchange National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$5,000,000

Issued, Series "C" \$5,000,000

Outstanding 4,617,000

Provisions of issue: It is provided that the total certificates issued of Series "A," "B" and "C" together shall not exceed \$20,000,000. \$383,000 of Series "C" have been retired through the sinking fund.

Security: The same as for Series "A" (see page 637). They are secured by a deposit with the trustee of \$5,000,000 7% guaranteed special stock of the Pittsburgh, Fort Wayne & Chicago Railway Company.

Sinking fund: The same as for Series "A."

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds sold in 1906 on a 4.05 basis

1908	4.15 to 4.40 basis
1909	4.05 4.10
1910	4.05 4.25
1911	4.20 (bid)
1912	4.20

They are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

Series "D" Trust Mortgage $3\frac{1}{2}\%$ Certificates

Dated December 1, 1904

Maturing December 1, 1944

Interest payable June 1 and December 1 at New York and Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Issued \$10,000,000

Outstanding \$9,552,000

\$448,000 of Series "D" have been retired through the sinking fund.

Security: Same as for Series "A" (see page 637). They are secured by a deposit with the trustee of \$10,000,000 7% guaranteed special stock of the Pittsburgh, Fort Wayne & Chicago Railway Company.

Sinking fund: Same as for Series "A" except that the amount is \$100,000 annually.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds sold in 1906 on a 3.95 basis

1909	3.98 to 4.02 basis
1910	4.05 (asked)
1911	4.10 4.15
1912	4.20

These bonds are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

Series "E" Trust Mortgage 4⁰/₁₀ Certificates

Dated May 1, 1912

Maturing May 1, 1952

Interest payable May 1 and November 1 at Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Issued \$10,000,000

Outstanding \$10,000,000

Security: The same as for Series "A" (see page 637). They are secured by a deposit with the trustee of \$10,000,000 7⁰/₁₀ guaranteed special stock of the Pittsburgh, Fort Wayne & Chicago Railway Company.

Sinking fund: The company agrees to provide an annual sinking fund after 1917 of an amount equal to 1⁰/₁₀ of the certificates outstanding to be applied to their purchase at not exceeding par and interest.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

PENNSYLVANIA COMPANY

Collateral Loan 3¹/₈

Dated November 1, 1901

Maturing November 1, 1916

Interest payable May 1 and November 1 at New York and Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000,000

Outstanding \$5,326,000

Provisions of issue: Of the total amount authorized, \$6,660,000 are outstanding as above, and the balance, \$14,674,000, has been retired by the sinking fund.

Security: The above bonds are a direct obligation of the Pennsylvania Company and are secured by a first collateral lien on \$15,000,000 Pittsburgh, Cincinnati, Chicago & St. Louis preferred stock, \$5,000,000 Baltimore & Ohio preferred stock and \$5,000,000 Norfolk & Western preferred stock.

The indenture provides that the company may withdraw any or all the securities deposited above and substitute securities of an appraised value equal to those withdrawn.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Redemption: The above bonds are redeemable for the sinking fund at par and interest on November 1 of each year upon one month's notice.

Sinking fund: The company has provided an annual sinking fund of \$1,334,000 to be applied to the purchase of these bonds on November 1 of each year at par. Bonds will be drawn by lot. Bonds so purchased are cancelled. The sinking fund will retire all the bonds in 15 payments.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds were quoted in 1909 on a 3.90 basis
sold in 1910 3.88 to 4.30 basis.
1911 3.87 4.15
1912 4.00 4.20

They are considered a legal investment for savings banks in New Hampshire.

PENNSYLVANIA COMPANY

Collateral Loan 4s

Dated April 2, 1906

Maturing April 1, 1931

Interest payable April 1 and October 1 at Girard Trust Company, Philadelphia.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$20,000,000

Outstanding \$20,000,000

Security: The above bonds are a direct obligation of the Pennsylvania Company, and were secured on February 1, 1912, by a deposit with the trustee of \$12,500,000 common and \$10,900,000 preferred stocks of the Pittsburgh, Cincinnati, Chicago & St. Louis Railway Company, \$4,000,000 Vandalia Railroad Company stock and \$1,000,000 Pittsburgh, Youngstown & Ashtabula Railway Company stock.

The indenture provides that the company may withdraw any or all the securities deposited above and substitute therefor securities of an equal appraised value. The company agrees to keep the value (market) equal to 120% of the total par value of the bonds outstanding.

The above bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Redemption: These bonds are redeemable at par and interest on April 1, 1921, or any interest date thereafter upon 90 days' notice.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds sold in 1907 on a 4.15 to 5.15 basis
1908 3.98 4.70
1909 4.00 4.15
1910 4.10 4.40
1911 4.10 4.20
1912 4.12 4.30

They are considered a legal investment for savings banks in New Hampshire and Rhode Island.

PENNSYLVANIA COMPANY

French Franc Loan 3³/₄% Certificates

Dated June 15, 1906

Maturing June 15, 1921

Interest payable June 15 and December 15 at Credit Lyonnaise, Paris, France.

Bonds of 500 and 2,500 francs.

Authorized 250,000,000 francs

Outstanding 250,000,000 francs

Security: These bonds are a direct obligation of the Pennsylvania Company, and are secured by a deposit with the trustee of marketable securities.

They have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Redemption: The above bonds are redeemable at par and interest on or after June 15, 1918.

Trustee: Girard Trust Company, Philadelphia.

For history, see page 636.

These bonds are considered a legal investment for savings banks in New Hampshire.

PITTSBURGH, YOUNGSTOWN & ASHTABULA RAILWAY

First General Mortgage Series "A" Gold 4s

Dated June 1, 1908

Maturing June 1, 1948

Interest payable June 1 and December 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$15,000,000

Outstanding \$1,965,000
Per mile . . . 14,250

Provisions of issue: Of the total amount authorized, \$1,965,000 are outstanding as above, \$35,000 have been retired by the sinking fund, \$1,562,000 have been reserved to retire the company's First Consolidated Mortgage 5s of 1927, and the balance, \$11,438,000, has been reserved for improvements, extensions and other lawful purposes.

Security: The above bonds are secured by a direct mortgage on 137.54 miles of the company's road, together with buildings, equipment, franchises, incomes and profits. They are secured by a first mortgage on 14.6 miles from Homewood to New Castle, Pa., and by a second mortgage on 122.9 miles covered by the first lien of the company's First Consolidated Mortgage 5s of 1927 (which see).

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company, and also by the Pennsylvania Company under the terms of its lease.

Sinking fund: The company provides a sinking fund equal to 1% of the bonds outstanding to purchase and cancel these bonds at not exceeding par and interest. If not purchasable at this price in any year, the fund is to revert to the company.

Trustee: Central Trust Company, New York.

The Pittsburgh, Youngstown & Ashtabula Railway Company was incorporated January 8, 1906, under the laws of Ohio and Pennsylvania, as a consolidation of the Pittsburgh, Youngstown & Ashtabula Railroad and the New Castle & Beaver Valley Railroad Companies. The property of the company is leased for 999 years, from July 1, 1910, to the Pennsylvania Company, at a rental equal to organization expenses, interest on funded debt, and 7% on the preferred and common stocks of the company. The entire capital stock of the Pennsylvania Company is owned by the Pennsylvania Railroad Company.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

PITTSBURGH, YOUNGSTOWN & ASHTABULA RAILROAD

First Consolidated Mortgage Currency 5s

Dated November 1, 1887

Maturing November 1, 1927

Interest payable May 1 and November 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,000,000

Outstanding \$1,562,000
Per mile . . . 12,700

Provisions of issue: Of the total amount authorized, \$1,562,000 are outstanding as above, \$638,000 have been cancelled, and the balance, \$1,800,000, will not be issued.

Security: The above bonds are secured by a first mortgage on the company's road, 122.9 miles, including the line from Ashtabula Harbor, O., to Kenwood, Pa., 98.7 miles, together with equipment, appurtenances and future acquisitions.

They have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company under the terms of its lease.

Equity: These bonds are prior in lien to the company's First General Mortgage Gold 4s of 1948, a sufficient number of which have been reserved to retire this issue at maturity.

Sinking fund: The company provides an annual sinking fund equal to 1% of the bonds outstanding for their purchase at not exceeding par and interest. Bonds so purchasable are to be cancelled, and if, in any year, they are not procurable at par and interest, the fund shall revert to the treasury of the company.

Trustee: Farmers' Loan and Trust Company, New York.

The Pittsburgh, Youngstown & Ashtabula Railroad Company was incorporated July 22, 1887, as a consolidation of the Ashtabula & Pittsburgh Railway, the Alliance, Niles & Ashtabula Railroad, the Lawrence & New Brighton Railroad Companies. Its property was leased from August 1, 1887, to the Pennsylvania Company. In 1906 it was consolidated with the New Castle & Beaver Valley

Railroad Company, forming the Pittsburgh, Youngstown & Ashtabula Railway Company. The latter was leased to the Pennsylvania Company from year to year from January 16, 1906.

These bonds sold in 1902 on a 3.75 to 4.25 basis.

1904	3.85	4.05
1905	3.90	
1906	3.98	4.05
1909	4.20	
1910	4.25	
1911	4.35	(bid)
December, 1912	4.55	(bid)

They are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

ERIE & PITTSBURGH RAILROAD

General Mortgage 3½s

Dated July 1, 1890

Maturing July 1, 1940

Interest payable January 1 and July 1 at Union Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,500,000

Outstanding \$4,125,000

Per mile . . . 49,700

Provisions of issue: Of the total amount authorized, \$4,125,000 are outstanding as above, and the balance, \$375,000, has been retired by the sinking fund.

Security: The above bonds are secured by a first mortgage on the company's line from Girard to New Castle, Pa., and branches, totalling 82.97 miles, including water lots in the harbor of Erie, docks, wharf; also all other lands, buildings, rolling stock, now owned or hereafter acquired, together with all franchises, income and profits.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Sinking fund: The company agreed to set apart, beginning July 1, 1891, and annually thereafter, an amount equal to 1% of the bonds outstanding to purchase the same at not exceeding par and interest. If not so purchasable in any year, the fund is to revert to the treasury of the company.

Trustee: Union Trust Company, New York.

The Erie & Pittsburgh Railroad Company was chartered April 1, 1858, and its road was opened for traffic in 1865. Its property was leased by the Pennsylvania Railroad Company for 999 years from March 1, 1870, at a rental equivalent to 7% on its stock and the interest on its bonds. This lease was later transferred to the Pennsylvania Company, whose entire capital stock is owned by the Pennsylvania Railroad Company.

These bonds sold in 1904 on a 3.55 basis

1905	3.60
1906	3.70
1907	3.95
1909	3.90 (bid)
1910	4.05
1911	4.05
1912	4.00

They are considered a legal investment for savings banks in New England except in Vermont.

TOLEDO, WALHONDING VALLEY & OHIO RAILROAD

First Mortgage 4s and 4½s

(1) Series "A," 4½s

Dated July 1, 1891

Maturing July 1, 1931

Interest payable January 1 and July 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$1,500,000

(2) Series "B," 4½s

Dated July 1, 1891

Maturing July 1, 1933

Interest payable January 1 and July 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$978,000

(3) Series "C," 4s

Dated July 1, 1891

Maturing September 1, 1942

Interest payable March 1 and September 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$1,401,000

Total authorized \$4,000,000

Total outstanding \$3,879,000

Per mile 16,650

Security: The above bonds are secured by a first mortgage on the company's road, 234.26 miles, including the lands, buildings, equipment, franchises, incomes, profits and all other property now owned and hereafter acquired.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: The company provides out of its net earnings annually from October 1, 1892, a sum equal to 1% of the outstanding bonds for their purchase at not exceeding par and interest. If, in any year, bonds are not so purchasable, the fund shall revert to the treasury of the company.

Trustee: Farmers' Loan and Trust Company, New York.

The Toledo, Walhonding Valley & Ohio Railroad Company was chartered May 22, 1891, under the laws of Ohio as a consolidation of the Northern Ohio Railway and the Walhonding Valley Railroad Companies. Its property is operated under lease by the Pennsylvania Company at a rental equal to its net earnings. In July, 1911, it was consolidated with the Cleveland & Marietta Railway Company into the Toledo, Columbus & Ohio River Railroad Company. The property will continue to be operated by the Pennsylvania Company.

Series "A" of 1931 sold in 1907 on a 4.30 to 4.70 basis

1909	4.32	(bid)
1910	4.50	
1911	4.40	(bid)
1912	4.30	4.35

Series "C" of 1942 was quoted July, 1912, on a 4.25 basis.

These bonds are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CLEVELAND & PITTSBURGH RAILROAD

General Mortgage Sinking Fund $3\frac{1}{2}\%$ and $4\frac{1}{2}\%$

(1) Series "A," $4\frac{1}{2}\%$

Dated December 1, 1891

Maturing January 1, 1942

Interest payable January 1 and July 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$3,000,000

(2) Series "B," $4\frac{1}{2}\%$

Dated December 1, 1891

Maturing October 1, 1942

Interest payable April 1 and October 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$1,561,000

(3) Series "B," $3\frac{1}{2}\%$

Dated December 1, 1891

Maturing October 1, 1942

Interest payable April 1 and October 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$429,000

(4) Series "C," 3½s

Dated December 1, 1891

Maturing November 1, 1948

Interest payable May 1 and November 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$2,788,000

(5) Series "D," 3½s

Dated December 1, 1891

Maturing August 1, 1950

Interest payable February 1 and August 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Total authorized \$10,000,000	Outstanding \$1,604,000
	Total outstanding \$9,382,000
	Per mile 46,000

Provisions of issue: Of the total amount authorized, \$9,382,000 are outstanding as above, and the balance, \$618,000, has been retired by the sinking fund.

Security: The above bonds are secured by a first mortgage on 205.50 miles of the company's road, including the line between Rochester, Pa., and Cleveland, O., together with terminal property in Allegheny and Pittsburg, docks, buildings, equipment, future acquisitions, franchises, income and profits.

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Railroad Company by endorsement.

Sinking fund: The company has provided, beginning January 1, 1893, and annually thereafter, a sinking fund equal to 1% of the bonds outstanding, for their purchase at not exceeding par and interest. If, in any year, bonds are not so purchasable, the fund shall revert into the treasury of the company.

Trustee: Farmers' Loan and Trust Company, New York.

The Cleveland & Pittsburgh Railroad Company was chartered in Ohio in March, 1836, and in Pennsylvania in April, 1850. The road was open for traffic in 1852. Its property was leased to the Pennsylvania Railroad Company for 999 years from December 1, 1871. This lease was transferred to the Pennsylvania Company in April, 1873. The rental is 7% on the capital stock, interest on the bonds, sinking fund and \$10,000 a year for organization expenses.

Series "A" of 1942 sold in 1903 on a 4.05 basis

1909	3.95
1910	4.15
1911	4.05
December, 1912	4.35

Series "B" (4½s) of 1942 sold in 1909 on a 4.00 basis

1910	4.15
1911	4.10 (bid)
December, 1912	4.35

Series "C" of 1948 was quoted July, 1912, on a 3.95 basis (bid).

Series "D" of 1950 sold in 1904 on a 3.67 basis

	1908	4.00
	1909	3.75 (bid)
	1910	3.92 (bid)
	1911	3.95 (bid)
December, 1912	4.00	(bid)

These bonds are considered a legal investment for savings banks in New England.

CLEVELAND & MARIETTA RAILWAY

First Mortgage Sinking Fund 4½s

Dated May 1, 1895

Maturing May 1, 1935

Interest payable May 1 and November 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,250,000
Per mile . . . 12,000

The unissued balance of these bonds, \$750,000, has been reserved for extensions and equipment.

Security: The above bonds are secured by a first mortgage on the company's line from Marietta to Canal Dover, O., 103.68 miles, together with buildings, equipment and future acquisitions.

They have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: The company agrees to set aside on July 1 in each year a sum equal to 1% of the bonds outstanding to be applied to their purchase and cancellation at not exceeding par and interest. If bonds are not so purchasable in any year, the fund shall revert to the treasury of the company.

Trustee: Farmers' Loan and Trust Company, New York.

The Cleveland & Marietta Railway Company was incorporated in July, 1886. In June, 1911, it was consolidated, with the Toledo, Walhonding Valley & Ohio Railroad Company, into the Toledo, Columbus & Ohio River Railroad Company, which is leased by the Pennsylvania Company.

These bonds sold in 1905 on a 3.92 basis

	1909	4.38
	1910	4.45 (bid)
	1911	4.25 (bid)
December, 1912	4.38	(bid)

They are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CINCINNATI, LEBANON & NORTHERN RAILWAY

First Mortgage 5s

Dated January 2, 1886

Maturing January 2, 1916

Interest payable January 1 and July 1 at Central Trust & Safe Deposit Company, Cincinnati.

Coupon bonds of \$1,000.

Authorized \$200,000

Outstanding \$200,000

Per mile . . . 5,300

Security: The above bonds are secured by a first mortgage on the company's line from Cincinnati to Dodds Station, O., and branch, totalling 37.55 miles, together with lands, buildings, equipment and future acquisitions.

Equity: These bonds are prior in lien to the Cincinnati, Lebanon & Northern Railway First Consolidated 4s of 1942, a sufficient number of which have been reserved to provide for the retirement of this issue at maturity.

The Pennsylvania Company owns practically the entire capital stock of the above company. The Pennsylvania Company, in turn, is entirely owned by the Pennsylvania Railroad Company.

These bonds were quoted December, 1912, on a 4.70 basis (bid).

They are considered a legal investment for savings banks in Maine, and New Hampshire.

CINCINNATI, LEBANON & NORTHERN RAILWAY

First Consolidated Mortgage 4s

Dated November 1, 1902

Maturing November 1, 1942

Interest payable May 1 and November 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$1,500,000

Outstanding \$1,230,000

Per mile . . . 24,100

Provisions of issue: Of the total amount authorized, \$1,255,000 are outstanding as above, \$200,000 have been reserved to retire the company's First 5s of 1916, and the balance, \$70,000, has been retired by the sinking fund.

Security: The above bonds are secured by a direct mortgage on 51.49 miles of the company's road, together with all property pertaining to it. It is secured by a first mortgage on 13.94 miles from Middletown to Middletown Junction, O., and by a second mortgage on the property covered by the first lien of the company's First 5s of 1916 (which see).

These bonds have been GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: Beginning November 1, 1903, and annually thereafter, a sinking fund equal to 1% of the bonds outstanding is provided for their purchase at par and interest. If not so purchasable in any year, the fund will revert to the treasury of the company.

Trustee: Central Trust & Safe Deposit Company, Cincinnati, O.

For history, see description of the company's First Mortgage 5s of 1916.

These bonds sold in 1909 on a 3.95 basis	
1910	4.25
December, 1912	4.62 (bid)

They are considered a legal investment for savings banks in Maine.

CLEVELAND, AKRON & COLUMBUS RAILWAY

General Mortgage 5s

Dated March 1, 1887

Maturing March 1, 1927

Interest payable March 1 and September 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal.

Authorized \$1,800,000

Outstanding	\$1,800,000
Per mile . . .	9,150

Security: The above bonds are secured by a first mortgage on 195.82 miles of the company's road, including the line from Hudson to Columbus, O.; together with lands, buildings, equipment and future acquisitions.

These bonds were ASSUMED by the Cleveland, Akron & Cincinnati Railway Company.

Equity: These bonds are prior in lien to the company's First Consolidated 4s of 1940, a sufficient number of which has been reserved to retire this issue at maturity.

The Cleveland, Akron & Columbus Railway Company was chartered in Ohio in 1886. In 1911 it was consolidated into the Cleveland, Akron & Cincinnati Railway Company, which assumed the above bonds. Almost the entire capital stock of the latter is owned by the Pennsylvania Company, which, in turn, is entirely owned by the Pennsylvania Railroad Company.

These bonds were quoted in December, 1912, on a 4.55 basis (bid).

They are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

CLEVELAND, AKRON & COLUMBUS RAILWAY

First Consolidated Mortgage 4s

Dated August 1, 1900

Maturing August 1, 1940

Interest payable February 1 and August 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,000,000

Outstanding \$1,616,000

Per mile . . . 8,250

Provisions of issue: Of the total amount authorized, \$1,616,000 are outstanding as above, \$1,800,000 have been reserved to retire the General 5s of 1927, \$184,000 have been retired by the sinking fund, and \$400,000 have been reserved for improvements and extensions.

Security: The above bonds are secured by a second mortgage on the property covered by the General 5s of 1927 (which see).

These bonds were ASSUMED by the Cleveland, Akron & Cincinnati Railway Company.

Bonds numbered 778 to 1,800 inclusive are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: Beginning October 1, 1901, and annually thereafter, a sinking fund equal to 1% of the bonds outstanding is provided for their purchase at par and interest. If not so purchasable from year to year, the fund will revert in each instance to the treasury of the company.

Trustee: Commercial Trust Company, Philadelphia.

For history, see page 650.

These bonds were quoted December, 1912, on a 4.70 basis (bid).

They are considered a legal investment for savings banks in Maine, New Hampshire and Rhode Island.

WHEELING TERMINAL RAILWAY

First Mortgage 4s

Dated August 1, 1900

Maturing August 1, 1940

Interest payable February 1 and August 1 at Winslow, Lanier & Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,566,000

Security: The above bonds are secured by a first mortgage on the property of the company, including 9.6 miles of road extending from Martin's Ferry, O., to Benwood, W. Va.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: Beginning October 1, 1901, and annually thereafter, a sinking fund equal to 1% of the bonds outstanding is provided for their purchase at not exceeding par and interest. If not so purchasable in any year, the fund will revert to the treasury of the company.

Trustee: Commercial Trust Company, Philadelphia.

The Wheeling Terminal Railway Company was incorporated in June, 1900, as the successor to the Wheeling Bridge & Terminal Railway Company, which had been sold under foreclosure in May, 1900. It owns a bridge at Wheeling, West Virginia, and terminal facilities to connecting railroads. Its entire capital stock is owned by the Pennsylvania Company.

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

CINCINNATI & MUSKINGUM VALLEY RAILROAD

First Mortgage 4s

Dated August 1, 1898

Maturing August 1, 1948

Interest payable February 1 and August 1 at Farmers' Loan and Trust Company, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$2,000,000

Outstanding \$1,741,000

Per mile . . . 11,750

Provisions of issue: Of the total amount authorized, \$1,741,000 are outstanding as above, \$9,000 have been retired by the sinking fund and \$250,000 have been reserved for future needs.

Security: The above bonds are secured by a first mortgage on 148.46 miles of the company's road from Trinway to Morrow, O., including lands, buildings, equipment and future acquisitions.

They have been ASSUMED by the Cleveland, Akron & Cincinnati Railway Company, and are GUARANTEED as to PRINCIPAL and INTEREST by the Pennsylvania Company by endorsement.

Sinking fund: Beginning October 1, 1899, and annually thereafter, a sinking fund equal to 1% of the bonds outstanding is provided for their purchase at not exceeding par and interest. If not so purchasable in any year, the fund is to revert to the treasury of the company.

Trustee: Farmers' Loan and Trust Company, New York.

In 1911 the property of the above company was consolidated with the Cleveland, Akron & Columbus Railway Company into the Cleveland, Akron & Cincinnati Railway Company. Practically all the capital stock of the latter is owned by the Pennsylvania Company.

These bonds were quoted December, 1912, on a 4.87 basis (bid).

They are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

ROCK ISLAND SYSTEM

ROCK ISLAND SYSTEM

HISTORY

The history of the Rock Island System is one of the most complex in railroad annals. It comprises no less than two holding companies and one operating company, the latter contributing the earnings of all three. The principal holding company of the system is The Rock Island Company, which was organized under the laws of the State of New Jersey on July 31, 1902, "to acquire by purchase or otherwise, and to hold as investment, any bonds or other securities, or any shares of capital stock created or issued by corporations or associations in any state or territory, etc." This company took over the entire outstanding stock of the Chicago, Rock Island & Pacific Railroad Company, the second of the two holding companies in the system, having issued in exchange therefor its own outstanding preferred and common stock.

The Chicago, Rock Island & Pacific Railroad Company was incorporated in Iowa on the same day that The Rock Island Company was incorporated in New Jersey. It acquired almost the entire capital stock of the Chicago, Rock Island & Pacific Railway Company, which it has always held, and in which from time to time it has increased its investment. The latter company is the operating company referred to above.

The stockholders of the Chicago, Rock Island & Pacific Railway Company were offered in exchange for each \$100 of their stock, \$100 in the Chicago, Rock Island & Pacific Railroad Company Four Per Cent Collateral Trust Bonds of 2002 (to be secured by a pledge with the trustee of an equal amount of stock of the Railway), also \$70 in the preferred stock and \$100 in the common stock of The Rock Island Company (New Jersey). At the close of the Railroad Company's fiscal year ending June 30, 1912, it held in its treasury \$71,353,500 stock of the \$75,000,000 of the Chicago, Rock Island & Pacific Railway.

The early history of this system was, indeed, an ambitious one, and it was evidently the plan of its creators to develop one of the largest, if not the largest system in the United States, by acquiring from time to time control in the capital stocks of the railroads which cover the South and West. In 1904 the Railway Company acquired nearly absolute control of the Chicago & Alton Railroad. On the other hand, the Railroad Company was gradually acquiring a control of the St. Louis & San Francisco Railroad, and by 1906 had acquired its entire common stock. The St. Louis & San Francisco Railroad, in turn, controlled at that time majority interests in the Chicago & Eastern Illinois, the Evansville & Terre Haute, and the Evansville & Indianapolis Railroad Companies. All these companies controlled by the Rock Island System operated practically 15,000 miles of railroad, reaching into seventeen states and territories in the West, with lines extending from Chicago to New Orleans, and westward to Denver, Colorado, and El Paso, Texas, and covering one of the richest sections of the entire country.

This attempt to amalgamate the railways of the Southwest proved a very unprofitable venture. The "Rock Island" never received dividends from the "Frisco" stock which it held, and when it was decided to sell its control in the latter company, the sale was carried out at a severe loss. This happened late in 1909, and the control of the St. Louis & San Francisco, carrying with it the control of the other above-mentioned companies, passed back into the hands of B. F. Yoakum and associates.

Nor was this the only sale, for in 1908 the Chicago, Rock Island & Pacific Railway turned over

all its extensive holdings in the Chicago & Alton Railroad except 7,700 shares of preferred stock, to the Toledo, St. Louis & Western Railroad Company, receiving therefor that company's Gold Bonds of 1917.

The present system has thus reduced itself to The Rock Island Company, with its \$150,000,000 capital stock, of which \$140,740,282 is outstanding, both common and preferred; the Chicago, Rock Island & Pacific Railroad Company, with a capital stock (entirely owned by the former) of \$145,000,000; and the Chicago, Rock Island & Pacific Railway with its \$75,000,000 capital stock, nearly 95% of which is owned by the Railroad Company. The 5% balance of Railway stock, which is not controlled by the Railroad, is held by the public.

The Chicago, Rock Island & Pacific Railway Company was incorporated June 4, 1880, by the consolidation of the old Chicago, Rock Island & Pacific Railroad and various proprietary companies. Since that time the company has absorbed many small lines, including the Chicago, Kansas & Nebraska Railway purchased at foreclosure sale in April, 1891, the Gowrie & Northwestern Railway in January, 1901, the Enid & Anadarko Railway in 1902, the St. Louis, Kansas City & Colorado Railroad in 1903, and the St. Louis, Kansas City & Colorado Extension in 1906. On December 31, 1910, the Chicago, Rock Island & El Paso Railway Company owning a line from Bravo, Texas, to Santa Rosa, New Mexico, conveyed its property to the Chicago, Rock Island & Pacific Railway Company, the latter assuming its funded obligations.

Owing to certain mortgage provisions, the securities of certain companies whose properties are owned in fee by the Railway Company have to remain alive. Among these are the Burlington, Cedar Rapids & Northern Railway Company, which was deeded to the Railway in 1903, with the guarantee of 6% on its outstanding capital stock; the Tucumcari & Memphis Railway Company, whose entire capital stock is owned by the Chicago, Rock Island & El Paso Railway Company; the Choctaw, Oklahoma & Gulf Railroad Company, which is leased to the Railway Company for 999 years from March 24, 1904; the Rock Island & Peoria Railway Company, which was deeded in 1903 with the 6% guarantee on its outstanding capital stock; the Rock Island, Arkansas & Louisiana Railroad; and the Consolidated Indiana Coal Company, which owns 22,000 acres of coal land in Sullivan County, Indiana, and Dallas County, Iowa.

Besides this, the Chicago, Rock Island & Pacific Railway Company has varied interests in other companies. It owns one-half the capital stock of the Peoria Railway Terminal Company, which has acquired all the property of the Peoria & Pekin Terminal Railway. It owns one-fifth of the capital stock of the Iowa Transfer Railway Company, whose yard at Des Moines, Iowa, has been completed and put into operation. It controls a proportion equal to the other proprietary companies in the capital stock of the Chicago Union Transfer Company and of the Terminal Railroad Association of St. Louis. The entire capital stocks and funded debt of the Chicago, Rock Island & El Paso Railway Company, and the Chicago, Rock Island & Gulf Railway Company are owned by the Chicago, Rock Island & Pacific Railroad Company.

There are also joint interests which the latter has in the Rock Island-Frisco Terminal Railway, which owns new freight depots and yards in St. Louis. The joint use of these terminals with the Railway Company has been granted to the Chicago & Eastern Illinois Railroad. A joint interest in the Memphis Railroad Terminal Company, with nine other companies, is held by the Chicago, Rock Island & Pacific Railway Company.

Early in 1911 the Chicago, Rock Island & Pacific Railway Company acquired the control of the St. Paul & Des Moines Railroad Company. This company formerly operated 121 miles of road from Des Moines, to Mason City, Iowa. A company, known as the St. Paul, Kansas City Short Line Railroad Company, was chartered in February, 1911, under the laws of the State of Iowa with an authorized capital stock of \$45,000,000 to purchase from the Railway Company all the outstanding securities of the St. Paul & Des Moines Railroad. All the capital stock of the St. Paul, Kansas City Short Line Railroad which has been issued is owned by the Railway Company. The Short Line Railroad is constructing at present a new line to Allerton, Iowa, a point on the Railway Company's main line to Kansas City. It is expected that this line will be completed about September 1, 1912, and will then afford the Rock Island the shortest route by 43 miles between St. Paul and Kansas City.

PROPERTY

The lines of the operating company of the Rock Island System, the Chicago, Rock Island & Pacific Railway, extend from Chicago to St. Paul, Sioux Falls, Omaha, Denver and Pueblo, and southerly from Kansas City to El Paso, Dallas and Galveston, Texas, with branches to Memphis, Tennessee, Little Rock, Arkansas, and Eunice, Louisiana.

Of the total miles operated during the fiscal year ending June 30, 1912, 8,042 miles, 7,197 are owned in fee; 225 represent mileage of leased lines, and 620 those operated under trackage rights. To show the extent of the system, the mileage extends into fourteen States of the Middle and South West, the bulk of its trackage lying in Iowa, Missouri, Kansas, Oklahoma and Arkansas.

CAPITALIZATION

To reach an approximate capitalization of the Rock Island System as a whole, the capital stock of The Rock Island Company, together with the small balance of Railway Company stock not held by the Railroad Company has been considered. The funded debt in the table below includes the funded obligations, both real and assumed, of the Railroad Company and the Railway Company. Rentals are those of the operating company and have been capitalized at 5%, and to procure the net capitalization, securities owned by the operating company as shown on its balance sheet have been deducted.

Based on the annual reports of the three companies for the fiscal year ending June 30, 1912, the capitalization of the Rock Island System stood as follows:

The Rock Island Company	
Preferred stock	\$54,000,000
Common stock	96,000,000
C. R. I. & P. Ry. Co.	
Balance outstanding	3,646,500
Total capital stock	\$153,646,500
Funded debt	
C. R. I. & P. R. R. Co.	\$78,853,500
C. R. I. & R. Ry. Co.	251,189,600
Nominal capital	\$483,689,600
Rentals capitalized at 5%	30,895,000
Gross capitalization	\$514,584,600
Securities owned	9,695,546
Net capitalization	\$504,889,054
Net capital per mile operated	\$62,828
Average miles operated	8,035.84
Net income to net capital	3.9%
Fixed charges to net income (Railway)	80.6%
Fixed charges to net income (System)	97.4%
Margin of safety (Railway)	19.4%
Margin of safety (System)	2.6%

As will be seen above, the net capital of the system per mile of road operated was \$62,828. Compared with two other properties situated in similar territory, the Chicago, Burlington & Quincy

Railroad and the Chicago, Milwaukee & St. Paul Railway, this figure is rather high. The Burlington's net capital per mile for the fiscal year ending June 30, 1912, was but slightly over \$32,000, while that of the St. Paul was \$49,181. Comparing the net capitalization of the three properties for the past decade, we find the same relative disadvantage in the case of the Rock Island. The Burlington's ten-year average was \$30,670, the St. Paul's was but \$36,450, while the average figure of the Rock Island System was \$56,000.

A comparison of the ratio of total net income to the net capital of these three properties shows rather conclusively that the Rock Island System is not earning a sufficient amount to carry safely such a large capital burden. During the fiscal year of 1912 the Rock Island earned but 4% on its entire net capital. On the other hand, the Burlington was able to show net earnings of 9.7% on its net capital, while the St. Paul earned approximately 6.2% in spite of its unfortunate year. The average net income earned on net capital for the ten years ending 1912 of the three systems is as follows:

Rock Island (Ry.)	4.2%
Burlington	9.1
St. Paul	8.9

The scant factor of safety shown for the charges of the system reveals by what a close margin the Railway Company in 1912 met the burdens of the three companies. The margin of the Railway Company proper, however, was nearly 20% as compared with 26% of 1911. This figure cannot be considered safe by any means. Nor does the decline as compared with 1911 appear encouraging, yet it shows more exactly what the operating company is doing independent of the other two.

During the fiscal year of 1912 the capital account of the Rock Island System was somewhat changed by the sale of \$20,000,000 Twenty-Year 5% Debentures of the Chicago, Rock Island & Pacific Railway. These were offered on a 5.20 basis. The company has agreed not to sell within the next two years any additional debentures or any direct or guaranteed bonds.

CHARACTER OF TRAFFIC

Nearly two-thirds of the total traffic of the Railway is freight. Tapping the grain centers of the West and South, the Rock Island is necessarily greatly dependent upon the success of the crops. It will be seen in the table below that 25% of the freight business of the company was the transportation of agricultural products, 30% of the products of mines, over one-half of which is represented by bituminous coal alone, and 10% of lumber products. Following are the ratios of commodity statistics (revenue freight only) for the years 1907 to 1912 inclusive:

Products of	1912	1911	1910	1909	1908	1907
Agriculture	25.5%	25.8%	22.1%	25.0%	26.4%	25.4%
Animals	7.6	7.7	7.1	7.7	7.9	7.2
Mines	31.6	29.5	31.9	29.3	27.8	30.4
Forests	10.4	11.6	12.3	12.5	12.2	11.8
Manufactures	17.9	18.4	19.5	18.1	17.9	17.5
Miscellaneous	7.0	7.0	7.1	7.4	7.8	7.7
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

In order to get a clearer idea of the freight business of the Rock Island and how it is handled, a few of the important traffic statistics of the Railway are given on page 659 for the six years, ending June 30, 1912:

Year	Freight density	Train load tons	Freight earnings	Rate per ton per mile
1907	550,268	266	\$40,663,972	\$.0095
1908	504,384	255	37,899,356	.0094
1909	518,394	264	39,158,053	.0094
1910	567,792	257	42,218,880	.0092
1911	587,890	270	43,368,395	.0092
1912	572,340	278	41,156,835	.0089

It will be seen by the foregoing that, with the exception of 1908, the freight density — number of tons of revenue freight carried one mile per mile of road — increased substantially; and that in general it was handled with increased efficiency during the period in question, the train load in 1908 being but 255 and in 1912 reaching 278. It was due more than anything else to this economy of handling commodities that caused the steady increase in freight earnings in the face of steady declining rates per ton per mile. As compared with the Burlington and even the St. Paul, it would seem that this handling of freight could be greatly improved in the future. For example, the Burlington reports an average freight density for the past ten years of 734,136 per year, and carried an average of 361 tons of revenue freight in every train load. The St. Paul's average for the period, though not so good as that of the Burlington, was much better than the Rock Island showing, as follows:

For the decade	Freight density	Train load tons
St. Paul	660,807	271
Rock Island (Ry.)	513,365	248

During the fiscal year of 1912 29% of the gross business of the Railway Company was passenger, passenger earnings being that proportion of the total. Given below are some of the salient passenger statistics of the Railway based on its annual reports for the year 1907 to 1912 inclusive.

Year	Passenger density	Average number passengers per train mile	Passenger earnings	Rate per passenger per mile
1907	93,215	44.54	\$16,449,765	\$.0227
1908	110,670	54.20	16,693,110	.0189
1909	118,694	58.05	17,883,380	.0188
1910	126,360	54.31	19,378,174	.0191
1911	125,844	54.91	20,240,528	.0200
1912	116,900	49.21	18,609,408	.0198

The passenger density of the Railway — the number of passengers carried one mile for every mile operated — increased steadily up to 1910, declining since then. In every year except 1912 passenger earnings increased in spite of a decline in the average rate per passenger per mile during 1908, 1909 and 1910. A comparison of the average passenger density and the average rate per passenger per mile of the Rock Island, Burlington and the St. Paul properties for the decade ending June 30, 1912, follows:

	Average passenger density	Average rate per passenger per mile
Rock Island (Ry.)	100,239	\$.0207
Burlington	105,320	.0197
St. Paul	80,754	.0209

EARNINGS

The operating company of the system, the Chicago, Rock Island & Pacific Railway, reports the following gross and net earnings for the six years ending 1912 as follows:

Year	Average miles operated	Gross earnings	Per mile	Net earnings	Per mile
1907	7,780	\$60,238,420	\$7,728	\$19,194,277	\$2,484
1908	7,970	58,484,196	7,338	16,155,449	2,028
1909	8,026	61,184,887	7,623	18,671,391	2,326
1910	8,043	66,220,578	8,233	18,151,210	2,257
1911	8,026	68,487,473	8,533	19,431,790	2,421
1912	8,036	64,712,853	8,053	17,953,359	2,234

Both gross and net earnings show the effect of the general business depression of 1908 and 1909. In 1910 gross earnings increased over those of the previous year over \$5,000,000, or 8%. Correspondingly, operating expenses in that year increased over those of the previous year nearly \$5,600,000, or 13%, due to large increases in amounts spent for both maintenance of way and equipment and in cost of conducting transportation. The latter, far more significant than charges for upkeep, can be explained almost entirely by increased cost of fuel and a materially larger wage account. In 1911 the earnings were rather better than in 1910. With a total increase in gross earnings of nearly \$2,300,000, or 3.4%, and an increase in operating expenses of less than \$1,000,000, or 2%, the net earnings of the company showed an increase of nearly \$1,300,000, or 7%. The fiscal year of 1912 was relatively a poor one from an earning standpoint, gross revenue declining over \$3,750,000, or 5.5% and net, 1,475,000, or 7.6%.

MAINTENANCE

It cannot be said that the Railway Company has been lavish in its maintenance charges. As compared with the Burlington, its maintenance record does not make a very favorable showing. To be sure, the Burlington is one of the best maintained roads in the West, but even comparing the Rock Island with the St. Paul, the showing is none too good. Below are given the amounts spent per mile of road for maintenance by the Railway Company for the years 1907 to 1912 inclusive, and also the average amount spent each year for the past decade by the Railway Company and by its immediate competitors, the Burlington and the Missouri Pacific.

Year	Way	Maintenance Equipment	Total
1907	\$1,175	\$895	\$2,070
1908	1,044	939	1,983
1909	1,128	936	2,064
1910	1,327	1,051	2,378
1911	1,213	1,166	2,379
1912	1,057	1,033	2,090
Ten years			
Rock Island	\$1,068	\$905	\$1,973
Burlington	1,374	1,379	2,753
St. Paul	951	944	1,895

It is interesting, too, to note the proportions of gross which each of the three properties in question spent upon maintenance. Following is a table which shows this ratio for the three, for the six years ending June 30, 1912:

	1912	1911	1910	1909	1908	1907
Rock Island	25.9%	27.9%	28.9%	27.1%	27.0%	26.9%
Burlington	32.1	30.6	34.9	33.7	34.7	35.4
St. Paul	29.3	25.7	24.9	24.3	24.1	23.8

It will be seen by the foregoing that, while the ratio of the Rock Island has remained practically stationary, the ratio of the St. Paul has shown a marked increase from year to year, and also that neither of the two has spent proportionately anywhere near as much as the Burlington.

ADDITIONS AND BETTERMENTS

In accordance with the order of the Interstate Commerce Commission which requires each railroad to state in its balance sheet the additions to property made since June 30, 1907, which have been charged to income, the Chicago, Rock Island & Pacific Railway reports in its balance sheet of June 30, 1912, but \$64,370. Since June 30, 1907, the road and equipment account of the company has been increased \$31,610,477, and with the exception of the amount charged to income as above, all of this item has been charged to capital.

DIVIDENDS

There have been no dividends paid on the stock of The Rock Island Company since 1905. One per cent quarterly was paid on its preferred stock from February 1, 1903, to November 1, 1905, inclusive. The operating company (Chicago, Rock Island & Pacific Railway) has paid dividends continuously from 1891 as follows:

Year	Rate	Year	Rate
1891	3%	1904	8 $\frac{1}{4}$ %
1892-4	3 $\frac{1}{2}$	1905	6 $\frac{1}{4}$
1895-6	2	1906	6
1897	2 $\frac{1}{2}$	1907-09	5 $\frac{1}{4}$
1898	4	1910	5
1899-1901	4 $\frac{1}{4}$	1911	5 $\frac{1}{4}$
1902	5	1912	5
1903	6 $\frac{1}{4}$		

It should be borne in mind that the only income which The Rock Island Company has is what may be derived from dividends declared upon the stock of the Railway Company. During 1911 the Railway Company disbursed 5 $\frac{1}{4}$ % which was just sufficient to care for the interest charges on the funded indebtedness of the Railroad Company, expenses and taxes, and to wipe out the 1910 deficits of the Railroad Company and The Rock Island Company of \$309,470. In order that the 5% dividend rate to which the Rock Island preferred stock is entitled from 1910 to 1916 may be paid, the Railroad Company will be required to disburse 8.4% on its own capital stock, which would mean that it would have to earn rising 10%, a thing which was done in but one year, 1907. Although the Railway Company earned 6.33% on its capital stock in 1910, 7.27% in 1911 and 5.1% in 1912, there seems to be very little likelihood that the company will have increased its corporate surplus sufficiently to declare dividends on The Rock Island Company preferred stock for some time.

The corporate surpluses of the three companies were reported to be as follows for the fiscal year ending June 30, 1912:

The Rock Island Company	\$75,415
Chicago, Rock Island & Pacific Railroad Company	290,910
Chicago, Rock Island & Pacific Railway Company	14,598,084

The surplus of the Railway Company, figured on the total capital stock of the Rock Island System, is equal to 9.4%.

STATISTICS

Following are given the capitalization, earnings and traffic statistics of the Rock Island System, based on the average miles operated, for the year 1900, and for the years 1905 to 1912 inclusive.

In the capitalization figures the capital stocks of The Rock Island Company and the Railway Company (not held by the Railroad Company) are included under the heading of "Capital stock." The "Funded Debt" includes the obligations of both the Railroad and the Railway Companies. The earning figures are those of the operating company, with the exception of the item of Fixed charges, which includes besides the total corporate deductions of the Railway Company, the interest obligations and expenses and taxes of the Railroad Company and The Rock Island Company. The traffic statistics given are those of the operating company.

ROCK ISLAND SYSTEM

Fiscal year	Capital stock	Funded debt	Rentals @ 5%	Gross capital	Owed by company	Net capital	Average mules operated	Extra main track
1900	\$13,751	\$18,449	\$4,687	\$36,887	\$1,799	\$35,088	3,636	248
1905	21,442	35,552	2,987	59,981	5,357	54,624	7,232	288
1906	21,482	36,938	2,767	61,187	5,605	55,582	7,218	288
1907	19,914	36,330	3,074	59,318	5,130	54,188	7,780	289
1908	19,423	36,683	3,877	59,983	5,020	54,963	7,970	289
1909	19,264	36,042	3,907	59,213	4,966	54,247	8,036	289
1910	19,121	38,133	3,847	61,101	1,337	59,764	8,045	472
1911	19,150	38,494	4,248	61,892	1,411	60,481	8,036	470
1912	19,120	41,070	3,844	64,034	1,206	62,828	8,036	470

Fiscal year	Gross operating revenue	Maintenance		Transportation and general expense	Net operating revenue	Other income	Total net income	Fixed charges	
		Way	Equipment					Railway	System (including railway)
1900	\$6,329	\$1,066	\$647	\$2,160	\$2,356	\$193	\$2,549	\$1,322	....
1905	6,091	804	797	2,693	1,797	211	2,008	1,353	\$1,862
1906	7,098	1,011	923	2,924	2,240	143	2,383	1,441	1,952
1907	7,729	1,175	895	3,175	2,484	122	2,606	1,438	1,915
1908	7,338	1,044	939	3,327	2,028	146	2,174	1,577	2,041
1909	7,623	1,128	936	3,233	2,326	148	2,474	1,703	2,164
1910	8,233	1,327	1,051	3,598	2,257	196	2,453	1,859	2,318
1911	8,533	1,213	1,166	3,732	2,421	196	2,617	1,939	2,556
1912	8,052	1,057	1,033	3,728	2,234	233	2,467	1,988	2,400

Fiscal year	Surplus available for dividends of Railway	Dividends (Railway)	Surplus (Railway)	Dividend Railway stock outstanding	Surplus available for dividends on Rock Island Co. stock	Dividends on Rock Island Preferred	Surplus (System)
1900	\$1,227	\$550	\$677	..	...	...	...
1905	654	646	9	\$40	\$106	\$269	\$163*
1906	942	648	294	42	389	68	321
1907	1,168	529	639	34	657	...	657
1908	597	493	104	31	102	...	102
1909	771	489	282	29	281	...	281
1910	594	465	129	25	110	...	110
1911	678	490	188	23	238	...	238
1912	479	466	13	22	45	...	45

Fiscal year	Operating expenses to gross earnings	Total maintenance to gross earnings	Conducting transportation to gross earnings	Fixed charges to gross earnings	Gross earnings to gross capital	Net income to net capital	Per cent earned on		Freight to all traffic
							Railway stock	Rock Island preferred stock	
1900	62.18%	28.10%	34.08%	21.3%	16.8%	7.2%	5.9%	...	70%
1905	70.50	26.29	44.21	30.5	10.1	3.7	6.3	1.4%	67
1906	68.44	27.25	41.19	27.5	11.6	4.3	9.0	5.2	68
1907	68.11	26.88	41.23	24.8	13.0	4.8	12.1	9.4	68
1908	72.38	27.03	45.35	28.0	12.2	3.9	6.3	1.5	65
1909	69.48	27.07	42.11	28.5	12.8	4.5	8.3	4.2	64
1910	72.59	28.89	43.70	28.2	13.4	4.1	6.4	1.6	64
1911	71.63	27.89	43.74	27.7	13.7	4.3	7.3	3.5	63
1912	72.26	25.96	46.30	30.0	12.5	3.9	5.1	.7	64

* Deficit.

ROCK ISLAND SYSTEM

Fiscal year	Train mile earnings (gross)	Maintenance per revenue train mile		Conducting transportation per revenue train mile	Train mile earnings (net)	Rate per mile		Freight density	Train load revenue tons	Passenger, freight and company cars
		Way	Equipment			Per passenger	Per ton			
1900	\$1.46	\$.251	\$.153	\$.509	\$.556	\$.0206	\$.0099	440,121	177	19,070
1905	1.65	.217	.215	.727	.485	.0218	.0094	438,531	228	40,942
1906	1.76	.254	.238	.723	.554	.0215	.0093	514,767	245	41,369
1907	1.86	.282	.215	.775	.593	.0223	.0094	550,268	266	45,095
1908	1.82	.258	.233	.826	.503	.0189	.0094	504,384	255	43,642
1909	1.90	.281	.233	.806	.580	.0188	.0094	518,394	264	41,625
1910	1.85	.299	.236	.809	.507	.0191	.0092	567,792	257	44,178
1911	1.94	.276	.265	.850	.557	.0200	.0092	587,890	270	46,668
1912	1.84	.244	.237	.857	.514	.0198	.0089	572,340	278	46,902

BOND DESCRIPTIONS

Following are descriptions of the bond issues of the Rock Island System, both direct and assumed, together with the bases upon which they have sold during the decade ending December 31, 1912:

CHICAGO, ROCK ISLAND & PACIFIC RAILROAD

Collateral Trust 4s

Dated August 1, 1902

Maturing November 1, 2002

Interest payable May 1 and November 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$5,000 and multiples.

Coupon and registered bonds interchangeable.

Authorized \$75,000,000

Outstanding \$71,353,500

Security: These bonds are secured by a deposit with the trustee of the capital stock of the Chicago, Rock Island & Pacific Railway Company now owned or hereafter to be acquired by the Chicago, Rock Island & Pacific Railroad Company. On June 30, 1912, \$71,353,500 of the \$75,000,000 Railway Company stock had been acquired and deposited with the trustee.

The capital stock of the Chicago, Rock Island & Pacific Railway Company cannot be increased beyond the \$75,000,000 now authorized until all the bonds of this issue are paid, and bonds may be issued only to the face amount of the stock deposited under this mortgage.

Trustee: Central Trust Company, New York.

These bonds sold in 1902 on a 4.55 to 5.00 basis

1903	4.50	5.80
1904	4.85	6.00
1905	4.70	5.15
1906	4.90	5.35
1907	5.20	7.00
1908	5.05	6.50
1909	4.70	5.30
1910	4.75	6.00
1911	5.20	5.60
1912	5.45	6.00

CHICAGO, ROCK ISLAND & PACIFIC RAILROAD

First Mortgage 6s

Dated May 1, 1877

Maturing July 1, 1917

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, exchangeable for registered bonds.

Registered bonds of \$5,000.

Authorized \$12,500,000

Outstanding \$12,500,000

Per mile . . . 16,340

Security: The above bonds are secured by a first mortgage on 765.39 miles of road, including the line from Chicago to Council Bluffs, Ia., 500.46 miles, and from Davenport to Knoxville, Ia., 144.12 miles. In the mileage between Chicago and Council Bluffs is included the bridge across the Mississippi River at Rock Island, Ill. This bridge is owned by the Government,

but is leased in perpetuity to the company. The bonds are also secured by a mortgage on equipment, appurtenances and future acquisitions.

These bonds were ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

Equity: These bonds are prior in lien to the Refunding 4s of 1934, and to the General 4s of 1988, a sufficient number of which are reserved to retire this issue at maturity.

Trustee: United States Trust Company, New York.

These bonds sold in 1902 on a 3.27 to 4.05 basis

1903	3.50	4.00
1904	3.15	3.875
1905	3.35	3.85
1906	3.70	4.00
1907	3.87	4.25
1908	3.80	4.375
1909	3.87	4.25
1910	4.00	4.40
1911	4.10	4.35
1912	4.05	4.50

These bonds are considered a legal investment for savings banks in New England.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

General Mortgage 4s

Dated January 1, 1898

Maturing January 1, 1988

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$1,000 and \$5,000.

Authorized \$100,000,000

Outstanding \$61,581,000

Per mile . . . 18,925

Provisions of issue: Although the amount of this issue was authorized \$100,000,000, the limit of the issue was placed at \$99,981,000 by the terms of the Chicago, Rock Island & Pacific Railway Refunding Mortgage. Beside the amount outstanding as above, \$12,500,000 have been reserved to retire the First 6s of 1917, \$17,900,000 are issuable for additions and improvements at the rate of \$1,000,000 per year, and \$8,000,000 are held by the trustees of the Refunding Mortgage. Under the terms of the Refunding Mortgage, all of the General Mortgage bonds issued subsequent to April 1, 1904, are to be acquired and deposited, without impairment of lien, with the trustee of the Refunding Mortgage.

Security: The above bonds are secured by a direct mortgage or by collateral trust upon 3,254.48 miles of road; upon securities, leaseholds, trackage rights and contracts, terminals, lands, buildings, appurtenances, equipment and future acquisitions. They are secured by a first mortgage on 2,396.00 miles of road including the line from South Omaha, Neb., to Colorado Springs, Colo., 562.63 miles and from Washington, Ia., to Terral, Okla., 643.75 miles; in effect by a first mortgage on 93.09 miles of road extending from Terral to Fort Worth, Tex. being a

first collateral lien on \$1,365,000 Chicago, Rock Island & Texas First Mortgage Bonds covering this mileage; by a second mortgage on 765.39 miles of road which are covered by the first mortgage of the Chicago, Rock Island & Pacific First 6s of 1917; and by a first lien on the leasehold interest of the company in the Keokuk & Des Moines Railway covering 162.31 miles; also upon trackage rights and contracts covering 341.50 miles.

Equity: The above bonds are subject to the \$12,500,000 Chicago, Rock Island & Pacific Railroad First 6s of 1917 (for description see above). They are prior in lien to the Chicago, Rock Island & Pacific Railway First and Refunding 4s of 1934.

Trustees: Bankers Trust Company, New York, and Benjamin Strong, Jr.

These bonds sold in 1902 on a 3.50 to 3.80 basis

1903	3.70	4.05
1904	3.75	3.95
1905	3.70	3.85
1906	3.87	4.05
1907	4.00	4.55
1908	3.90	4.25
1909	3.95	4.05
1910	4.05	4.25
1911	4.05	4.20
1912	4.10	4.35

These bonds are considered a legal investment for savings banks in New England.

CEDAR RAPIDS, IOWA FALLS & NORTHWESTERN RAILWAY

First Mortgage 5s

Dated June 23, 1881

Maturing October 1, 1921

Interest payable April 1 and October 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$4,000,000

Outstanding \$1,905,000
Per mile . . . 6,524

Provisions of issue: Of the \$4,000,000 authorized, \$3,916,000 have been issued, \$2,011,000 of which have been acquired and deposited, without impairment of the lien, with the trustee of the Burlington, Cedar Rapids & Northern Railway Company Consolidated First Mortgage in lieu of bonds of that issue.

Security: The above bonds are secured by a first mortgage on the company's lines from Holland, Ia., via Dows, to Worthington, Minn., 182.64 miles, and from Dows via Germania to Esterville, Ia., 108.87 miles, totalling 291.51 miles; also on appurtenances, equipment and future acquisitions.

Trustee: Central Trust Company, New York.

The Cedar Rapids, Iowa Falls & Northwestern Railway Company was chartered under the laws of the State of Iowa. It was opened for business in December, 1880, from Holland to Clarion, Iowa, a distance of 55 miles. The road was leased in perpetuity by the Burlington, Cedar Rapids & North-

ern Railway and operated as the Iowa Falls Division of that line. In 1900 these two roads were merged under the name of the Burlington, Cedar Rapids & Northern Railway, and in 1903 the latter deeded its property to the Chicago, Rock Island & Pacific Railway Company.

The above bonds sold in 1905 on a 4.05 basis	
1909	4.35 (bid)
1910	4.30 to 4.35
1911	4.43 (bid)
December, 1912	4.70 (bid)

The above bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

BURLINGTON, CEDAR RAPIDS & NORTHERN RAILWAY

Consolidated First Mortgage 5s

Dated April 1, 1884

Maturing April 1, 1934

Interest payable April 1 and October 1 at First National Bank, New York.

Coupon bonds of \$1,000, exchangeable for registered bonds.

Registered bonds of \$5,000.

Authorized \$19,405,000

Outstanding \$11,000,000

Provisions of issue: Although these bonds were authorized at the rate of \$15,000 per mile of single track and \$7,500 per mile additional for double track, the Refunding Mortgage of the Chicago, Rock Island & Pacific limits the issue to \$19,405,000, as above. Of this amount, beside the \$11,000,000 outstanding, as above, \$6,500,000 are held by the trustee of the Refunding Mortgage and \$1,905,000 are reserved to retire the Cedar Rapids, Iowa Falls & Northwestern First 5s of 1921.

Security: The above issue is secured by direct mortgage upon 1,301.48 miles of road, appurtenances and future acquisitions. They are secured by a first mortgage on 997.63 miles of road including the company's line from Lake Park, Ia., to Watertown, S. D., a distance of 164.08 miles, and from Burlington to Plymouth Junction, Ia., a distance of 219.52 miles; by a second mortgage on 303.85 miles, including the 291.51 miles covered by the first mortgage of the Cedar Rapids, Iowa Falls & Northwestern First 5s (see page 668), and on the Minnesota-Iowa State Line covered by the first mortgage of the Minneapolis & St. Louis First Guaranteed 7s (see page 671). They are also secured by trackage rights covering 39 miles of road.

Equity: These bonds are prior in lien to the Chicago, Rock Island & Pacific Railway First & Refunding 4s of 1934.

Trustee: The Central Trust Company, New York.

The Burlington, Cedar Rapids & Northern Railway Company was organized as the Burlington, Cedar Rapids & Minnesota Railroad Company, in June, 1868, and was completed in September, 1873. The Burlington, Cedar Rapids & Minnesota, upon default of interest on its bonds due November 1, 1873, was placed in the hands of a receiver by whom it was operated until July 1, 1876, when the present company, the Burlington, Cedar Rapids & Northern Railway, was organized, purchasing the road and property of the former.

The Burlington, Cedar Rapids & Northern Railway was leased to the Chicago, Rock Island & Pacific Railway for 999 years from June 1, 1902, at a yearly rental amounting to 6% net on the capital stock, at the same time offering to purchase the outstanding capital stock of the former by issuing in exchange therefor share for share of its own capital stock. This plan was consummated in the following year, subject to its various mortgages.

These bonds sold in 1902 on a 3.65 to 3.85 basis

1903	3.80	3.87
1904	3.75	4.10
1905	3.75	3.95
1906	3.87	4.00
1907	4.00	4.75
1908	3.95	4.60
1909	3.95	4.05
1910	4.05	4.35
1911	4.15	4.27
1912	4.20	4.40

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

ROCK ISLAND & PEORIA RAILWAY

Consolidated First Mortgage 6s

Dated July 1, 1885

Maturing July 1, 1925

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, exchangeable for registered bonds.

Registered bonds of \$5,000.

Authorized \$600,000

Outstanding \$450,000

Per mile . . . 3,982

Provisions of issue: Under the terms of the Chicago, Rock Island & Pacific Railway Refunding Mortgage this issue is limited to \$450,000, all of which are outstanding as above.

Security: The above bonds are secured by a first mortgage on 112.86 miles of road, including the line from Rock Island to Peoria, Ill., 90.49 miles. They are further secured by a first mortgage on all the equipment of the line and future acquisitions.

Equity: These bonds are prior in lien to the Chicago, Rock Island & Pacific Railway First & Refunding 4s of 1934, a sufficient number of which have been reserved to retire this issue.

Trustee: Metropolitan Trust Company, New York.

The Rock Island & Peoria Railway Company, a corporation of the State of Illinois, was the reorganization of the Peoria & Rock Island Railway Company, October 9, 1877. The former was leased for 999 years from June 1, 1902, to the Chicago, Rock Island & Pacific Railway Company, the lessee assuming all the obligations of this company, and agreeing to pay dividends on its capital

stock at the rate of 6% per annum. Subject to the above mortgage, the property of the Rock Island & Peoria Railway Company was purchased by the Chicago, Rock Island & Pacific Railway Company in 1903.

These bonds were quoted in 1909 on a 4.68 basis (bid)

1910	4.95
1911	5.47
December, 1912	5.75

These bonds are considered a legal investment for savings banks in Maine, New Hampshire, Connecticut and Rhode Island.

MINNEAPOLIS & ST. LOUIS RAILROAD

First Mortgage Guaranteed 7s

Dated February 1, 1877

Maturing June 1, 1927

Interest payable June 1 and December 1 at the First National Bank, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Outstanding \$150,000
Per mile . . . 12,500

Security: The above bonds are secured by a first mortgage on 12.34 miles of the company's road between Albert Lea, Minn., and the Iowa-Minnesota State Line.

The bonds numbered 1101 to 1400 are GUARANTEED as to PRINCIPAL and INTEREST by the Burlington, Cedar Rapids & Northern Railway.

Equity: The above bonds are prior in lien to the Burlington, Cedar Rapids & Northern Railway Consolidated 5s of 1934, and also prior to the Chicago, Rock Island & Pacific Railway Refunding 4s of 1934.

Trustee: Farmers' Loan & Trust Company, New York.

The Minneapolis & St. Louis Railroad Company is a corporation of the State of Minnesota and was leased to the Burlington, Cedar Rapids & Northern Railway Company for 999 years on the guarantee of \$150,000 for these bonds. When the bonds are paid off, the road becomes the property of the latter, which in turn had conveyed its property in 1903 to the Chicago, Rock Island & Pacific Railway Company.

These bonds sold in 1902 on a 3.95 to 4.30 basis

1903	4.00	4.22
1905	4.35	
1907	4.68	
1908	4.75	4.90
1909	4.30	4.37
1910	4.30	4.40
1911	4.37	
July, 1912	4.30	

The bonds numbered 1101 to 1400 are considered legal for savings banks in Maine and New Hampshire.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

First & Refunding Mortgage 4s

Dated April 1, 1904

Maturing April 1, 1934

Interest payable April 1 and October 1 at the First National Bank, New York.

Coupon bonds of \$500 and \$1,000, registerable as to principal or fully registerable.

Registered bonds of \$500 and \$1,000.

Coupon and registered bonds interchangeable.

Authorized \$163,000,000

Outstanding \$94,942,000

Per mile . . . 16,250

Provisions of issue: The balance of these bonds, authorized but not issued, is issuable as follows: \$870,000 for future acquisitions and property, \$48,713,000 for refunding underlying liens, \$13,500,000 for acquisitions of bonds of other companies and \$4,975,000 for additions and improvements to existing lines at not exceeding \$2,500,000 for each calendar year beginning January 1, 1904.

Security: The above bonds are secured by a direct mortgage or by collateral trust on 5,840.80 miles of road and upon leaseholds aggregating 1,129.7 miles, together with securities, trackage rights, terminals and equipment of those lines and future acquisitions. The bonds are secured by a direct first mortgage on 634.32 miles of road including the lines from St. Louis to Strasburg Junction, Mo., and from Geary to Anadarko, Okla., also upon terminal property at St. Paul, Minn., and new equipment and shops at East Moline, Ill. The bonds are further secured in effect by a first mortgage on 517.66 miles of road, including the lines of the Chicago, Rock Island & Gulf Railway Company, 365 miles, and those of the Chicago, Rock Island & El Paso Railway, 153 miles. They are further secured by a second mortgage on 3,506.49 miles of road subject to the Chicago, Rock Island & Pacific General 4s of 1888, the Burlington, Cedar Rapids & Northern Consolidated 5s of 1934, and the Rock Island & Peoria First 6s of 1925 (all of which see). The bonds are secured also in effect by a second mortgage on 93 miles of road subject to the First Mortgage Bonds of the Chicago, Rock Island & Texas Railway, and by a third mortgage on 1,069.24 miles of road.

The company agrees in its mortgage not to issue any additional prior liens unless the same shall be pledged with the trustee of this issue, nor can there be any extensions permitted while any of the bonds of this issue remain outstanding.

Trustees: Central Trust Company, New York, and David R. Francis, Esq.

These bonds sold in 1904 on a 4.15 to 4.20 basis

1905	4.05	4.30
1906	4.15	4.55
1907	4.55	5.40
1908	4.55	5.15
1909	4.40	4.70
1910	4.55	5.00
1911	4.70	4.90
1912	4.70	5.00

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Choctaw, Oklahoma & Gulf Collateral Trust 4s

Dated May 1, 1902

Maturing annually \$1,494,000 each May 1 to May 1, 1918

Interest payable May 1 and November 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$24,000,000

Outstanding \$8,964,000

Provisions of issue: Of the total amount authorized, \$23,883,000 have been issued. Series "A" to "J" (\$14,919,000) have been cancelled.

Security: The above bonds are secured by a first lien by deposit with the trustee of the entire \$9,827,500 common stock and the entire \$6,000,000 preferred stock of the Choctaw, Oklahoma & Gulf Railroad. It is provided in the indenture that the capital stock of the Choctaw, Oklahoma & Gulf Railroad shall not be increased unless a proportionate amount shall be delivered to the trustee hereunder, nor can the railroad create any mortgage or issue any bonds under existing mortgages other than the Consolidated 5s of 1952.

Redemption: These bonds are redeemable at 101½ and interest on any interest date upon 60 days' notice.

Trustee: Central Trust Company, New York.

These bonds are considered a legal investment for savings banks in New Hampshire.

CHOCTAW, OKLAHOMA & GULF RAILROAD

General Mortgage 5s

Dated October 3, 1894

Maturing October 1, 1919

Interest payable January 1 and July 1 at the First National Bank, New York, or at the Girard Trust Co., Philadelphia.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.

Authorized \$5,500,000

Outstanding \$5,500,000

Per mile . . . 15,670

Security: The above bonds are secured by a first mortgage on 350.57 miles of road, from the Arkansas-Oklahoma State Line to Elk City, Okla., 325.16 miles, and from Tecumseh to Asher, Okla., 25.41 miles; also on spurs to coal mines, coal mining property of the company, appurtenances, equipment and future acquisitions.

These bonds have been ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

A sufficient number of the Chicago, Rock Island & Pacific Railway Refunding 4s of 1934 have been reserved to retire this issue at maturity, also the company's Consolidated 5s of 1952.

The Choctaw, Oklahoma & Gulf Railroad was created under an Act of Congress in 1894. In 1904 it was leased for 999 years to the Chicago, Rock Island & Pacific Railway Company, which

owns the entire capital stock. At the time of the lease the interest on the Choctaw, Oklahoma & Gulf issues were guaranteed by the former.

These bonds sold in 1902 on a 3.85 to 4.55 basis

1903	4.20	4.37
1904	4.15	4.60
1905	3.55	4.25
1906	4.35	4.45
1907	4.45	4.55
1908	4.50	4.75
1909	4.70	(bid)
1910	4.45	(bid)
1911	4.58	to 4.62
1912	4.65	

CHOCTAW & MEMPHIS RAILROAD

First Mortgage 5s

Dated January 2, 1899

Maturing January 1, 1949

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$3,750,000

Outstanding \$3,525,000
Per mile . . . 12,500

Provisions of issue: Although the amount authorized was \$3,750,000, as above, by the terms of the Choctaw, Oklahoma & Gulf Railroad Consolidated 5s of 1952, this amount was limited to \$3,525,000, all of which is outstanding.

Security: The above bonds are secured by a first mortgage on 282.32 miles of road from the west bank of the Mississippi River on the company's line in Arkansas to the Oklahoma-Arkansas State Line; on terminals in Memphis, Tenn., and trackage rights from Memphis to Bridge Sidings, Ark.

These bonds have been ASSUMED by the Choctaw, Oklahoma & Gulf Railroad Company, and later ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

Equity: The above bonds are prior in lien to the Choctaw, Oklahoma & Gulf Consolidated 5s of 1952, a sufficient number of which have been reserved to retire this issue at maturity.

Trustee: Girard Trust Company, Philadelphia.

The Choctaw & Memphis Railroad Company was purchased in 1900 by the Choctaw, Oklahoma & Gulf Railroad Company, whose entire capital stock is owned by, and its property leased to, the Chicago, Rock Island & Pacific Railway Company for 999 years from 1904.

These bonds were quoted in 1909 on a 4.45 basis (bid)

1910	4.45 to 4.55
1911	4.55
December, 1912	4.65

LITTLE ROCK BRIDGE COMPANY

First Mortgage 6s

Dated June 29, 1899

Maturing July 1, 1919

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$375,000

Outstanding \$175,000

Security: The above bonds are secured by a first mortgage on the bridge across the Arkansas River at Little Rock and on all the property pertaining to the same.

These bonds have been ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

Sinking fund: The company has provided for the retirement of these bonds by means of a sinking fund equal to \$21,000 each year, beginning June 1, 1903. Up to June 30, 1912, \$200,000 of these bonds had thus been retired and cancelled by this sinking fund.

Redemption: The above bonds are redeemable for the sinking fund at 105 and interest at the rate of \$20,000 yearly.

Trustee: Girard Trust Company, Philadelphia.

The Little Rock Bridge Company was incorporated in the State of Arkansas to build the above-mentioned bridge over the Arkansas River. Its entire capital stock is owned by the Choctaw, Oklahoma & Gulf Railroad Company, which in turn is controlled by the Chicago, Rock Island & Pacific Railway Company.

CHOCTAW, OKLAHOMA & GULF RAILROAD

Consolidated Mortgage 5s

Dated May 1, 1902

Maturing May 1, 1952

Interest payable May 1 and November 1 at the Girard Trust Company, Philadelphia, and at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Outstanding \$5,411,000

Per mile . . . 5,596

The amount authorized is \$1,000,000 for mining property, and \$15,000 per mile, including underlying bonds of completed railroad covered.

Provisions of issue: By the terms of the Chicago, Rock Island & Pacific Railway Refunding Mortgage no further bonds may be issued except for the purpose of refunding a like amount of \$5,500,000 Choctaw, Oklahoma & Gulf General Mortgage 5s of 1919, which upon issuance are to be immediately placed with the trustee of the above refunding mortgage.

Security: The above bonds are secured by a direct mortgage upon 967.39 miles of road, together with leaseholds, buildings, equipment and future acquisitions. They are secured by a first mort-

gage on 334.5 miles of road, a second mortgage on 632.89 miles of road, covered by the first lien of the Choctaw, Oklahoma & Gulf General 5s, the Choctaw & Memphis 5s, and the Little Rock Bridge Company 6s. They are further secured by a first lien on the leaseholds of the company aggregating 62.27 miles.

The above bonds have been ASSUMED by the Chicago, Rock Island & Pacific Railway Company under the terms of its lease.

Trustee: Girard Trust Company, Philadelphia.

For a history of the Choctaw, Oklahoma & Gulf Railroad Company, see page 673.

These bonds sold in 1904 on a 4.80 basis

1905	4.25
1906	4.45 to 4.55
1908	4.50 4.60
1909	4.37 4.40
1910	4.45 4.60
1911	4.50 4.55
1912	4.55 4.65

ROCK ISLAND, ARKANSAS & LOUISIANA RAILROAD

First Mortgage 4½s

Dated March 1, 1910

Maturing March 1, 1934

Interest payable March 1 and September 1 at the First National Bank, New York, and at offices in certain cities in Europe as may be designated.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Registered bonds of \$500, \$1,000, \$5,000 or multiples of \$5,000.

Coupon and registered bonds interchangeable.

Authorized \$30,000,000

Outstanding \$11,000,000
Per mile . . . 33,300

Provisions of issue: In addition to the \$11,000,000 outstanding, \$10,000,000 of the amount authorized are reserved for new mileage at not exceeding \$30,000 per mile, and \$9,000 for additions and betterments exclusive of equipment.

Security: The above bonds are secured by a first mortgage on 330.39 miles of road, equipment and future acquisitions. They are also secured by a first mortgage on trackage rights aggregating 37.89 miles.

These bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Rock Island & Pacific Railway Company by endorsement.

Redemption: The bonds are redeemable at 105 and interest on any interest date upon 60 days' notice.

Trustee: The Bankers Trust Company, New York.

The Rock Island, Arkansas & Louisiana Railroad was incorporated in 1905 under the laws of the States of Louisiana and Arkansas, as a consolidation of the Little Rock & Southern Railroad,

the Arkansas Southern Railroad and the Arkansas Southern Extension Railway Companies. By indentures dated January 31, 1906, and March 1, 1910, the road was leased for 999 years to the Chicago, Rock Island & Pacific Railway Company, which guaranteed the company's bonds, and agreed to pay all rentals, taxes and \$500 for corporate expenses. The Chicago, Rock Island & Pacific Railway Company owns the entire capital stock of the Rock Island, Arkansas & Louisiana Railroad Company.

In 1912 these bonds were quoted on a 5.00 to 5.50 basis (bid).

These bonds are considered a legal investment for savings banks in New Hampshire.

ROCK ISLAND, ARKANSAS & LOUISIANA RAILROAD

Hot Springs Western 4s

Dated October 14, 1911

Maturing July 1, 1939

Interest payable January 1 and July 1 at Chicago.

Coupon notes of \$1,000.

Authorized \$453,600

Outstanding \$453,600

Security: The above notes are a direct obligation of the Rock Island, Arkansas & Louisiana Railroad Company, but are not secured by a mortgage.

They have been GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Rock Island, & Pacific Railway Company.

KEOKUK & DES MOINES RAILWAY

First Mortgage 5s

Dated September 20, 1878

Maturing October 1, 1923

Interest payable April 1 and October 1 at the First National Bank, New York.

Coupon bonds of \$100, \$500 and \$1,000, registerable as to principal.

Authorized \$2,750,000

Outstanding \$2,750,000

Per mile . . . 16,975

Security: The above bonds are secured by a first mortgage on 162.31 miles of road extending from Keokuk to Des Moines, Ia.; also upon equipment.

These bonds are GUARANTEED as to INTEREST by the Chicago, Rock Island & Pacific Railway Company under the terms of its lease.

Trustee: The Farmers' Loan & Trust Company, New York.

The Keokuk & Des Moines Railway was a reorganization on January 1, 1874, of the Eastern Division of the Des Moines Valley Railroad, which had been opened for traffic in 1870, and sold in foreclosure in 1873. The new company was leased in 1878 to the Chicago, Rock Island & Pacific Railroad Company until December, 1923. Under the terms of the lease the Chicago, Rock Island & Pacific Railroad Company was to pay interest on the bonds and 25% of the gross earnings as annual rental; and the existing bonds were to be exchanged for \$2,750,000 5% first mortgage bonds. The Chicago, Rock Island & Pacific Railroad was succeeded in 1880 by the Chicago, Rock Island & Pacific Railway, which owns a majority of the capital stock of the Keokuk & Des Moines Railway.

These bonds sold in 1902 on a 4.25 to 4.30 basis

1903	4.37	4.67
1904	4.45	4.67
1905	4.15	4.27
1906	4.05	4.55
1907	4.75	5.50
1908	4.60	5.12
1909	4.50	4.70
1910	4.60	5.00
1911	4.70	5.10
1912	4.85	5.25

These bonds are considered a legal investment for savings banks in Maine.

WHITE & BLACK RIVER VALLEY RAILROAD

First Mortgage 5s

Dated June 30, 1900

Maturing July 1, 1980

Interest payable January 1 and July 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$800,000

Outstanding \$600,000

Per mile . . . 9,677

Provisions of issue: In addition to the \$600,000 outstanding, there are \$200,000 reserved to extend the road to Batesville.

Security: The above bonds are secured by a first mortgage on 62.27 miles of road, equipment and future acquisitions.

The bonds are GUARANTEED as to INTEREST by the Choctaw, Oklahoma & Gulf Railroad by endorsement.

The White & Black River Valley Railroad Company was chartered under the laws of the State of Arkansas in 1881 as the Batesville & Brinkley Railroad Company. In 1890 the Batesville & Brinkley Railroad changed its name to the present title, the White & Black River Valley Railroad Company. Bonds of the Batesville & Brinkley Railroad were cancelled and White & Black River Valley Railroad bonds were issued in lieu thereof.

The company was leased to the Choctaw, Oklahoma & Gulf Railroad Company for 80 years

from July, 1900, the annual rental to be equal to interest on \$500,000 5% bonds for the first 10 years and on \$600,000 5% bonds thereafter. (For history of the Choctaw, Oklahoma & Gulf Railroad Company, see page 673.)

ST. PAUL & KANSAS CITY SHORT LINE RAILROAD

First Mortgage $4\frac{1}{2}\%$

Dated February 1, 1911

Maturing February 1, 1941

Interest payable February 1 and August 1 at New York or London.

Coupon bonds of \$500 and \$1,000; £100 and £200, registerable as to principal or fully registerable.

Coupon and registered bonds interchangeable.

Sterling bonds will be exchangeable for dollar bonds after February 1, 1912, at a fixed rate of \$4.85 per £ sterling.

Authorized \$30,000,000

Outstanding \$10,000,000

Per mile . . . 52,900

Provisions of issue: Of the \$30,000,000 authorized \$10,000,000 are outstanding as above, \$10,000,000 have been reserved for new mileage at cost and \$10,000,000 for actual cost of additions and betterments to the lines under this mortgage.

Security: The above bonds are secured by a first mortgage on 188.65 miles of road including the line from the Rock Island Railway at Allerton through Des Moines to Mason City near a point of connection with the Chicago-St. Paul line, also upon trackage rights over the Chicago, Rock Island & Pacific Railway from Carlisle to Des Moines.

The bonds are GUARANTEED as to PRINCIPAL and INTEREST by the Chicago, Rock Island & Pacific Railway Company by endorsement.

Redemption: Redeemable as a whole but not in part at 105 and interest on any interest date on 60 days' notice.

Trustee: Bankers Trust Company, New York.

For history of the St. Paul & Kansas City Short Line Railroad Company, see page 656.

These bonds were quoted in 1911 on a 5.125 basis (bid)

December, 1912 5.25

These bonds are considered a legal investment for savings banks in Maine and New Hampshire.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust 4½% Gold Notes. Series "A"

Dated February 1, 1907

Maturing \$325,000 February 1 and August 1 until February 1, 1917

Interest payable February 1 and August 1 at the First National Bank, New York.

Coupon notes of \$1,000.

Authorized \$6,500,000

Outstanding \$3,250,000

The above notes mature in twenty consecutive semi-annual installments of \$325,000 each, commencing August 1, 1907, and ending February 1, 1917. Up to June 30, 1912, \$3,250,000 have matured.

Security: These notes are a direct obligation of the company. They are secured by an equipment lease covering 50 locomotives, 65 passenger train cars and 5,000 freight train cars.

The title to the equipment shall not revert to the Railway Company until all the notes have been paid, and ample powers are vested with the trustee for the protection of the note holders.

Trustee: Bankers Trust Company, New York.

The above notes were underwritten by Speyer & Company, New York, in 1907, and were offered in February of that year to the public on a 5.125 basis.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust 6% Notes. Series "B"

Dated October 15, 1907

Maturing \$60,000 each April 15 and October 15 until April 15, 1913

Interest payable April 15 and October 15 at Harvey Fisk & Sons, New York.

Coupon notes of \$10,000 each and one note for \$6,541.

Authorized \$586,541

Outstanding \$120,000

Provisions of issue: The above notes mature \$46,541 October 15, 1908, and in nine consecutive semi-annual installments of \$60,000 each, commencing April 15, 1909, and ending April 15, 1913. Up to June 30, 1912, \$466,541 have been matured.

Security: These notes are a direct obligation of the company. They are secured by an equipment lease on 45 locomotives.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust $4\frac{1}{2}\%$ Bonds. Series "C"

Dated October 1, 1909 Maturing \$265,000 each April 1 and October 1 until October 1, 1919
Interest payable April 1 and October 1 at the First National Bank, New York.

Coupon bonds of \$1,000.

Authorized \$5,300,000 Outstanding \$3,975,000

Provisions of issue: The above bonds mature in twenty semi-annual payments of \$265,000 each, commencing April 1, 1910, and ending October 1, 1919. Up to June 30, 1912, \$1,325,000 of these bonds have been redeemed.

Security: These bonds are secured by an equipment lease covering 85 locomotives, 100 passenger cars and 3,610 freight cars. The title to this equipment shall remain with the trustee until all these bonds shall have been paid.

Trustee: Central Trust Company, New York.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust $4\frac{1}{2}\%$ Bonds. Series "D"

Dated May 2, 1910 Maturing \$225,000 each May 1 and November 1 until May 1, 1925
Interest payable May 1 and November 1 at the First National Bank, New York.

Coupon bonds of \$1,000, registerable as to principal.

Authorized \$6,750,000 Outstanding \$5,850,000

Provisions of issue: The above bonds mature in thirty semi-annual installments of \$225,000 each, commencing November 1, 1910, and ending May 1, 1925. Up to June 30, 1912, \$900,000 of these bonds had been redeemed.

Security: These bonds are a direct obligation of the company and are secured by an equipment lease covering 134 locomotives, 4 motor cars, 71 passenger cars and 4,000 freight cars. The title to this equipment shall remain with the trustee until all of these bonds shall have been paid.

Trustee: Bankers Trust Company, New York.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust 5% Notes. Series "E"

Dated January 1, 1911 Maturing \$5,000 each January 1 and July 1 until January 1, 1921
Interest payable January 1 and July 1 to the United States Express Company, New York.

Authorized \$100,000 Coupon notes of \$1,000. Outstanding \$90,000

This issue is owned entirely by the United States Express Company.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Trust 4½% Notes. Series "F"

Dated August 1, 1911 Maturing \$12,000 each February 1 and August 1 to August 1, 1926
Interest payable February 1 and August 1 at Bankers Trust Company, New York.

Authorized \$360,000 Coupon notes of \$1,000. Outstanding \$348,000

Provisions of issue: The above notes mature in thirty semi-annual payments of \$12,000 each, commencing February 1, 1912, and ending August 1, 1926.

Security: These notes are a direct obligation of the company and are secured by an equipment lease covering 24 postal cars, 6 steel postal cars and 11 steel baggage cars. The title to this equipment shall remain with the trustee until all of these notes shall have been paid, and the trustee is vested with various powers for the protection of the note holders.

Trustee: Bankers Trust Company, New York.

These notes were offered in October, 1911, by White, Weld & Company, New York, on a 5.00 basis.

ROCK ISLAND IMPROVEMENT COMPANY

Equipment Gold 4½s

Dated January 3, 1905 Maturing \$225,000 each January 1 and July until January 1, 1915
Interest payable January 1 and July 1 at New York.

Authorized \$4,500,000 Coupon bonds of \$1,000. Outstanding \$1,350,000

Provisions of issue: The above bonds mature in twenty semi-annual payments of \$225,000 each, commencing July 1, 1905, and ending January 1, 1915. Up to June 30, 1912, \$3,150,000 of these bonds had been redeemed.

Security: These bonds are a direct obligation of the Rock Island Improvement Company and are secured by an equipment lease covering 50 locomotives, 1,000 box cars, 475 coal cars, 500 furniture cars, 250 dump cars, 250 ballast cars, 1,500 refrigerator cars, 2 postal cars, 7 combination baggage and mail cars, 10 chair cars, and 10 passenger coaches. The title to this equipment shall remain with the trustee until all these bonds shall have been paid.

These bonds have been ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

Trustee: Bankers Trust Company, New York.

These bonds were offered in October, 1911, by White, Weld & Company on a 5.00 basis.

ROCK ISLAND IMPROVEMENT COMPANY

Equipment Gold $4\frac{1}{2}$ s. Series "B"

Dated November 1, 1905 Maturing \$280,000 each May 1 and November 1 until November 1, 1915
Interest payable May 1 and November 1 at New York.

Coupon bonds of \$1,000.

Authorized \$5,605,000

Outstanding \$1,960,000

Provisions of issue: The above bonds mature \$280,000 each in twenty semi-annual installments, commencing May 1, 1906, and ending November 1, 1915. Up to June 30, 1912, \$3,645,000 of these bonds had been thus redeemed.

Security: These bonds are a direct obligation of the Rock Island Improvement Company, and are secured by an equipment lease covering 10 chair cars, 30 coaches, 6 smoking cars, 17 baggage cars, 2,750 box cars, 250 furniture cars, 750 stock cars, 5 mail cars, 2 baggage and mail combination cars, 6 combination baggage and passenger cars, 7 dining cars, 2 combination parlor cars, 4 combination dining and passenger cars, 5 observation library cars, 247 Hart convertible ballast cars, 3 double plow distributing cars, 58 consolidation locomotives, 6 balanced compound passenger locomotives and 11 Pacific type locomotives. The title to this equipment shall remain with the trustee until all these bonds shall have been paid.

These bonds have been ASSUMED by the Chicago, Rock Island & Pacific Railway Company.

Trustee: Bankers Trust Company, New York.

These bonds were offered in October, 1911, by White, Weld & Company on a 5.00 basis.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Twenty-Year Debenture 5s

Dated January 15, 1912

Maturing January 15, 1932

Interest payable January 15 and July 15, at New York.

Coupon bonds of \$1,000, registerable as to principal or fully registerable.
Coupon and registered bonds interchangeable.

Authorized \$20,000,000

Outstanding \$20,000,000

Security: The above bonds are a direct obligation of the company, but are not a mortgage. The Railway Company agrees in its indenture not to make any new mortgage upon its railroad without including these debentures equally with every bond issue, and secured by any such new mortgage. It is agreed, however, that this will not prevent the renewal, extension, or refunding of any existing mortgage.

Redemption: These bonds are redeemable at 105 and interest upon any interest date on 60 days' notice.

Trustee: Bankers Trust Company, New York.

These bonds were offered in January, 1912, by Speyer & Company on a 5.20 basis.

These bonds are considered a legal investment for savings banks in New Hampshire.

CHICAGO, ROCK ISLAND & PACIFIC RAILWAY

Equipment Gold 4s

Dated July 1, 1912

Maturing \$170,000 each January 1 and July 1 to July 1, 1927

Interest payable January 1 and July 1 at New York.

Coupon notes of \$1,000.

Authorized \$5,100,000

Outstanding \$4,930,000

Up to January 1, 1913, \$170,000 of these notes had been redeemed.

Security: These notes are a direct obligation of the company and are secured under terms of a Trust Agreement covering 50 locomotives, 2 electric motor cars, 10 steel baggage cars, 10 steel combination cars, 20 mail cars, 6 dining cars, 4 express cars, 500 furniture cars, 2,500 box cars, 700 steel coal cars, and 200 convertible ballast cars, costing \$5,557,788, of which the company paid \$437,788 in cash, issuing the above notes for the balance.

The title to the above-described equipment remains with the trustee until all these notes have been paid.

Trustee: Bankers Trust Company, New York.

INDEX TO BOND DESCRIPTIONS

INDEX TO BOND DESCRIPTIONS

	System	Page
Adirondack Ry.		
First 4½s 1942	D. & H.	253
Albany & Susquehanna R. R.		
First 3½s 1946	D. & H.	257
Allegheny Valley Ry.		
General 4s 1942	Penna.	608
American Dock & Improvement Co.		
First 5s 1921	C. R. R. of N. J.	141
Aroostook County		
Gold 4½s 1915	Bangor & Ar.	83
Aroostook Northern R. R.		
First 5s 1947	Bangor & Ar.	80
Atchison, Topeka & Santa Fe Ry.		
General 4s 1995		18
Adjustment 4s 1995		19
Transcontinental Short Line 4s 1958		20
Serial Debenture 4s 1913-1914		21
Convertible 4s 1955		21
Convertible 5s 1917		22
Convertible 4s 1960		23
Eastern Oklahoma Div. First 4s 1928		23
California-Arizona Lines First & Refunding 4½s 1962		31
Atlanta, Knoxville & Northern Ry.		
First 5s 1946	L. & N.	398
First Consolidated 4s 2002	“	399
Baltimore & Ohio R. R.		
Prior Lien 3½s 1925		46
First 4s 1948		47
Equipment Trust 4½s 1913-1922		67
Pittsburgh, Lake Erie & West Virginia Refunding 4s 1941		50
Pittsburgh Junction & Middle Div. First 3½s 1925		48
Secured Notes 4½s 1913		51
Southwestern Div. First 3½s 1925		49
Baltimore, Chesapeake & Atlantic Ry.		
First 5s 1934	Penna.	631

	<u>System</u>	<u>Page</u>
Bangor & Aroostook R. R.		
First 5s 1943		78
Second 5s 1945		82
Piscataquis Div. First 5s 1943		78
Van Buren Ext. First 5s 1943		79
Medford Ext. First 5s 1937		79
Consolidated & Refunding 4s 1951		81
Washburn Ext. First 5s 1939		82
St. John River Ext. First 5s 1939		83
Equipment Trust Certificates Series "C"		84
Equipment Trust Certificates Series "D"		84
Equipment Trust Certificates Series "E"		85
Bangor & Portland Ry.		
First 6s 1930	D. L. & W.	272
Second 6s 1932	"	272
Third 6s 1936	"	272
Battle Creek & Sturgis Ry.		
First 3s 1989	Mich. Cent.	458
Bay City & Battle Creek Ry.		
First 3s 1989	Mich. Cent.	459
Beaver & Ellwood R. R.		
First 4s 1919 (called in 1912)	L. S. & M. S.	359
Beech Creek Extension R. R.		
First 3½s 1951	N. Y. C.	485
Consolidated 4s 1955	"	486
Beech Creek R. R.		
First 4s 1936	N. Y. C.	483
Second 5s 1936	"	484
Belfast & Moosehead Lake R. R.		
First Sinking Fund 4s 1920	Me. Cent.	429
Belleville & Carondelet R. R.		
First 6s 1923	Ill. Cent.	327
Bell's Gap R. R.		
Consolidated Sinking Fund 6s 1913	Penna.	615
Belvidere Delaware R. R.		
Consolidated Sinking Fund 4s 1925	Penna.	621
Consolidated Sinking Fund 4s 1927	"	621
Consolidated Sinking Fund 4s 1933	"	621
Consolidated Sinking Fund 3½s 1943	"	622
Boston & Albany R. R.		
Debenture 4s 1913	N. Y. C.	502
Debenture 3½s 1951	"	502
Debenture 3½s 1952	"	503
Debenture 4s 1933	"	503

Boston & Albany R. R. — <i>continued</i>	System	Page
Debenture 4s 1934	N. Y. C.	504
Debenture 4s 1935	"	504
Debenture 4½s 1937	"	505
Equipment Trust 4½s 1927	"	505
Boston & Lowell R. R.		
Plain 4s 1932	B. & M.	102
Plain 4s 1915	"	102
Plain 4s 1916	"	103
Plain 4s 1917	"	103
Plain 4s 1918	"	103
Plain 3½s 1919	"	103
Plain 3½s 1921	"	104
Plain 3½s 1923	"	104
Plain 3½s 1925	"	104
Plain 4s 1926	"	104
Plain 4s 1927	"	104
Plain 4s 1929	"	104
Plain 4½s 1933	"	105
Boston & Maine R. R.		
Sinking Fund Improvement 4s 1937		98
Plain 4s 1942		98
Plain 4½s 1944		98
Plain 3s 1950		99
Plain 3½s 1921		99
Plain 3½s 1923		99
Plain 3½s 1925		99
Plain 4s 1926		100
Plain 4½s 1929		100
One Year Notes 4s 1913		117
Boston & New York Air Line R. R.		
First 4s 1955	N. Y., N. H. & H.	533
Boston & Providence R. R.		
Plain 4s 1918	N. Y., N. H. & H.	554
Boston, Revere Beach & Lynn R. R.		
First 4½s 1927		128
Boston Terminal Co.		
First 3½s 1947	N. Y., N. H. & H.	560
Boyer Valley Ry.		
First 3½s 1923	C. & N. W.	166
Branford Electric Co.		
First 5s 1937	N. Y., N. H. & H.	542
Bridgeport Traction Co.		
First 5s 1923	N. Y., N. H. & H.	557

	System	Page
Bridgton & Saco River R. R.		
First 4s 1928	Me. Cent.	437
Second 4s 1928	"	438
Burlington & Missouri River R. R.		
Consolidated Sinking Fund 6s 1918	C. B. & Q.	194
Burlington, Cedar Rapids & Northern Ry.		
Consolidated First 5s 1934	Rock Island	669
Cambria & Clearfield R. R.		
First 5s 1941	Penna.	613
Cambria & Clearfield Ry.		
General 4s 1955	Penna.	617
Canada Southern Ry.		
First Consolidated 5s 1962	Mich. Cent.	459
Carbondale & Shawneetown R. R.		
First 4s 1932	Ill. Cent.	327
Carthage & Adirondack Ry.		
First 4s 1981	N. Y. C.	486
Carthage, Watertown & Sacket's Harbor R. R.		
Consolidated 5s 1931	N. Y. C.	498
Cedar Rapids & Missouri River R. R.		
First 7s 1916	C. & N. W.	169
Cedar Rapids, Iowa Falls & Northwestern Ry.		
First 5s 1921	Rock Island	668
Central New England Ry.		
First 4s 1961	N. Y., N. H. & H.	558
Central Ohio R. R.		
Consolidated First 4½s 1930	B. & O.	53
Central R. R. of New Jersey		
General 5s 1987		140
Equipment Trust Bonds Series "C"		143
Equipment Trust Bonds Series "D"		143
Equipment Trust Bonds Series "E"		144
Equipment Trust Bonds Series "F"		144
Chicago & Northwestern Ry.		
General 3½s and 4s 1987		156
Collateral Trust Sinking Fund 5s and 6s 1929		157
Collateral Trust Extension 4s 1926		158
Sinking Fund Debenture 5s 1933		159
Debenture 5s 1921		159
Consolidated Sinking Fund 7s 1915		160
Chicago & St. Louis Ry.		
First 6s 1915	A. T. & S. F.	25

	System	Page
Chicago, Burlington & Quincy R. R.		
General 4s 1958		188
Illinois Div. 3½s and 4s 1949		189
Nebraska Ext. Sinking Fund 4s 1927		190
Debenture 5s 1913		191
Iowa Div. First 4s and 5s 1919		191
Denver Ext. Collateral Trust Sinking Fund 4s 1922		192
Sinking Fund Currency Plain 4s 1921		193
Chicago, Hammond & Western Ry.		
First 6s 1927	L. S. & M. S.	363
Chicago, Indiana & Southern R. R.		
Mortgage 4s 1956	L. S. & M. S.	352
Chicago, Indianapolis & Louisville Ry.		
Refunding 6s, 5s and 4s 1947	L. & N.	409
Equipment Series "A" 4½s 1913-1921	"	410
Equipment Series "B" 4½s 1913-1921	"	411
Chicago, Memphis & Gulf R. R.		
First 5s 1940		331
Chicago, Milwaukee & Puget Sound Ry.		
First 4s 1949	C. M. & St. P.	223
Chicago, Milwaukee & St. Paul Ry.		
General 4s and 3½s 1989		212
Debenture 4s 1934		213
Chicago & Pacific Western Div. First 5s 1921		213
Dubuque Div. First 6s 1920		214
Wisconsin & Minnesota Div. First 5s 1921		215
Chicago & Missouri River Div. First 5s 1926		216
LaCrosse & Davenport Div. First 5s 1919		216
Wisconsin Valley Div. First 6s 1920		217
Chicago & Lake Superior Div. First 5s 1921		218
Terminal First 5s 1914		219
European Loan Debenture 4s 1925		222
Convertible Debenture 4½s 1932		224
Chicago, Rock Island & Pacific R. R.		
Collateral Trust 4s 2002	Rock Island	666
First 6s 1917	"	666
Chicago, Rock Island & Pacific Ry.		
First & Refunding 4s 1934	Rock Island	672
Choctaw, Oklahoma & Gulf Collateral Trust 4s 1913-1918	"	673
Debenture 5s 1932	"	684
Equipment Trust 4½% Notes Series "A" 1913-1917	"	680
Equipment Trust 6% Notes Series "B" 1913	"	680
Equipment Trust 4½% Bonds Series "C" 1913-1919	"	681
Equipment Trust 4½% Bonds Series "D" 1913-1925	"	681
Equipment Trust 5% Notes Series "E" 1913-1921	"	682

Chicago, Rock Island & Pacific Ry. — <i>continued</i>	System	Page
Equipment Trust $4\frac{1}{2}\%$ Notes Series "F" 1913-1926	Rock Island	682
Equipment Trust 4% Notes 1913-1927	"	684
General 4s 1988	"	667
Chicago, St. Louis & Minneapolis Ry.		
First 6s 1918	C., St. P. M. & O.	236
Chicago, St. Louis & New Orleans R. R.		
Consolidated $3\frac{1}{2}\%$ s and 5s 1951	Ill. Cent.	330
Memphis Div. First 4s 1951	"	331
Chicago, St. Paul, Minneapolis & Omaha R. R.		
Consolidated 6s and $3\frac{1}{2}\%$ s 1930		234
Debenture 5s 1930		239
Chicago, Santa Fe & California Ry.		
First 5s 1937	A. T. & S. F.	26
Choctaw & Memphis R. R.		
First 5s 1949	Rock Island	674
Choctaw, Oklahoma & Gulf R. R.		
General 5s 1919	Rock Island	673
Consolidated 5s 1952	"	675
Cincinnati & Muskingum Valley R. R.		
First 4s 1948	Penna.	652
Cincinnati, Lebanon & Northern Ry.		
First 5s 1916	Penna.	649
First Consolidated 4s 1942	"	649
Clearfield & Jefferson Ry.		
First 6s 1927	Penna.	616
Cleveland, Akron & Columbus Ry.		
General 5s 1927	Penna.	650
First Consolidated 4s 1940	"	651
Cleveland & Marietta Ry.		
First Sinking Fund $4\frac{1}{2}\%$ s 1935	Penna.	648
Cleveland & Pittsburgh R. R.		
General Sinking Fund Series "A" and "B" $4\frac{1}{2}\%$ s 1942	Penna.	646
General Sinking Fund Series "B" $3\frac{1}{2}\%$ s 1942	"	646
General Sinking Fund Series "C" $3\frac{1}{2}\%$ s 1948	"	647
General Sinking Fund Series "D" $3\frac{1}{2}\%$ s 1950	"	647
Cleveland, Lorain & Wheeling Ry.		
Consolidated 5s 1933	B. & O.	63
General 5s 1936	"	64
Consolidated Refunding $4\frac{1}{2}\%$ s 1930	"	64
Cleveland Terminal & Valley R. R.		
First 4s 1935	B. & O.	62
Concord & Claremont R. R.		
First $4\frac{1}{2}\%$ s 1914	B. & M.	106

	System	Page
Concord & Montreal R. R.		
Mortgage Currency 4s 1920	B. & M.	107
Plain 4s 1920	“	108
Plain 3½s 1920	“	108
Connecticut & Passumpsic Rivers R. R.		
First 4s 1943	B. & M.	107
Connecticut Lighting & Power Co.		
First 5s 1939	N. Y., N. H. & H.	537
Connecticut Railway & Lighting Co.		
First & Refunding 4½s 1951	N. Y., N. H. & H.	556
Connecticut River R. R.		
Plain 4s 1943	B. & M.	109
Plain 3½s 1921	“	109
Plain 3½s 1923	“	109
Connecting Railway Co.		
First 4s 1951	Penna.	620
Consolidated Railway		
Debenture 4s, 3½s and 3s 1930	N. Y., N. H. & H.	551
Debenture 4s 1954		551
Debenture 4s 1955		551-2
Debenture 4s 1956		552
Cooperstown & Susquehanna Valley R. R.		
First 5s 1918	D. & H.	259
Dakota & Great Southern Ry.		
First 5s 1916	C. M. & St. P.	220
Danbury & Norwalk R. R.		
Consolidated 5s and 6s 1920	N. Y., N. H. & H.	314
General 5s 1925	“	314
First Refunding 4s 1955	“	314
Delaware & Hudson Canal Co.		315
Pennsylvania Div. First 7s 1917	D. & H.	315
Delaware & Hudson Co.		316
First & Refunding 4s 1943		332
Convertible Debenture 4s 1916		323
Equipment Debenture 4s 1913-1914		319
First Lien Equipment 4½s 1922		326
Delaware River Railroad & Bridge Co.		318
First Sinking Fund 4s 1936	Penna.	320
Detroit & Bay City R. R.		325
First 5s 1931	Mich. C.	321
Detroit River Tunnel Co.		320
First 4½s 1961	Mic.	324
Dexter & Newport R. R.		324
First 4s 1917	N.	333

	System	Page
Dexter & Piscataquis R. R.		
First 4s 1929	Me. Cent.	428
Duluth Short Line Ry.		
First 5s 1916	Nor. Pac.	583
Dunkirk, Allegheny Valley & Pittsburgh R. R.		
First 4½s 1960	N. Y. C.	501
Eastern Railway of Minnesota, Northern Div.		
First 4s 1948	Gt. Nor.	295
Ellwood Short Line R. R.		
First 5s 1922	B. & O.	57
Elnira & Williamsport R. R.		
First 4s 1950	Penna.	629
Income 5s 2862	"	630
Erie & Pittsburgh R. R.		
General 3¼s 1940	Penna.	644
European & North American Ry.		
Refunding 4s 1933	Me. Cent.	426
Fargo & Southern Ry.		
First 6s 1924	C. M. & St. P.	219
Fitchburg R. R.		
Plain 4½s 1914	B. & M.	110
Plain 4s 1915	"	110
Plain 4s 1916	"	111
Plain 4s 1920	"	111
Plain 3¾s 1920	"	111
Plain 3½s 1921	"	111
Plain 4s 1925	"	111
Plain 4s 1927	"	112
Plain 4s 1928	"	112
Plain 4½s 1928	"	112
Plain 4½s 1932	"	113
Gene 4½s 1933	"	113
Gen'l 4s 1937	"	113
General Iron & Missouri Valley R. R.		
General 6½s dated First 6s 1933	C. & N. W.	162
Cleveland, Lorain Lodge Co.		
Consolidated General 5s 1940	Penna.	633
Consolidated R.R. Fitchie R. R.		
Consolidated R.R.	N. Y. C.	488
Cleveland Terminal & A.V.		
First 4s 1995	Mich. Cent.	456
Concord & Claremont R. R.		
First 4½s 1914 1961		306

	System	Page
Greenwich & Johnsonville Ry.		
First 4s 1924	D. & H.	260
Greenwich Tramway Co.		
First 5s 1931	N. Y., N. H. & H.	542
Gulf, Beaumont & Kansas City Ry.		
First 6s 1913	A. T. & S. F.	28
Second 6s and 5s 1913	"	29
Harrisburg, Portsmouth, Mount Joy & Lancaster R. R.		
First 4s 1913	Penna.	613
Hartford, Manchester & Rockville Tramway Co.		
First 5s 1924	N. Y., N. H. & H.	540
Hartford Street Ry.		
First 4s 1930	N. Y., N. H. & H.	541
Debenture 4s Series "M" 1930	"	541
Henderson Bridge Co.		
First 6s 1931	L. & N.	387
Hereford Ry.		
First 4s 1930	Me. Cent.	434
Housatonic R. R.		
Consolidated 5s 1937	N. Y., N. H. & H.	529
Huntington & Big Sandy R. R.		
First 6s 1922	B. & O.	60
Hutchinson & Southern Ry.		
First 5s 1928	A. T. & S. F.	28
Illinois Central R. R.		
First 4s 1951		314
First 3½s 1950		314
First 3½s 1951		314
First 3½s (April) 1951		315
First 3s 1951		315
Refunding 4s 1955		316
4½% Notes 1914		332
Cairo Bridge 4s 1950		323
Collateral Trust 4s 1952		319
Litchfield Div. First 3s 1951		326
Louisville Div. & Term. First 3½s 1953		318
Purchase Lines First 3½s 1952		320
Omaha Div. First 3s 1951		325
St. Louis Div. & Term. First 3s and 3½s 1951		321
Springfield Div. First 3½s 1951		320
Sterling Trust 3½s 1950		324
Western Line First 4s 1951		324
Equipment Trust 4½s 1913-1923		333

	System	Page
Indiana Harbor Belt R. R.		
General 4s and 2s 1937	L. S. & M. S.	362
Indiana, Illinois & Iowa R. R.		
First 4s 1950	L. S. & M. S.	353
Indianapolis & Louisville Ry.		
First 4s 1956	L. & N.	411
Iowa Falls & Sioux City R. R.		
First 7s 1917	Ill. Cent.	329
Iowa, Minnesota & Northwestern Ry.		
First 3½s 1935	C. & N. W.	165
Jackson, Lansing & Saginaw R. R.		
First 3½s 1951	Mich. Cent.	453
Jamestown, Franklin & Clearfield R. R.		
First 4s 1959	L. S. & M. S.	348
Johnsonburg R. R.		
First 6s 1929	Penna.	617
Joliet & Northern Indiana R. R.		
First 4s 1957	Mich. Cent.	455
Junction R. R.		
General 3½s 1930	Penna.	606
Kalamazoo, Allegan & Grand Rapids R. R.		
First 5s 1938	L. S. & M. S.	349
Kalamazoo & South Haven R. R.		
First 5s 1939	Mich. Cent.	454
Kalamazoo & White Pigeon R. R.		
First 5s 1940	L. S. & M. S.	349
Kanawha & Michigan Ry.		
First 4s 1990	L. S. & M. S.	367
Second 5s 1927	“	368
Equipment Trust 4½s 1913-1922	“	369
Kankakee & Southwestern R. R.		
First 5s 1921	Ill. Cent.	322
Kentucky Central Ry.		
First 4s 1987	L. & N.	397
Keokuk & Des Moines Ry.		
First 5s 1923	Rock Island	677
Knox & Lincoln Ry.		
Second 5s Series “A” 1921	Me. Cent.	432
Lake Erie & Western R. R.		
First 5s 1937	L. S. & M. S.	354
Second 5s 1941	“	355

	System	Page
Lake Shore & Michigan Southern Ry.		
Debenture 4s 1931		347
Debenture 4s 1928		346
First 3½s 1907		346
Leamington & St. Clair Ry.		
First 4s 1945	Mich. Cent.	460
Lehigh & Wilkes-Barre Coal Co.		
Consolidated 4s 1915-1950	C. R. R. of N. J.	142
Little Falls & Dolgeville R. R.		
First 3s 1932	N. Y. C.	509
Little Rock Bridge Co.		
First 6s 1919	Rock Island	675
Louisville & Nashville R. R.		
Atlanta, Knoxville & Cincinnati Div. Mortgage 4s 1955		396
Evansville, Henderson & Nashville Div. First Sinking Fund 6s 1919		383
First 5s 1937		384
First Collateral Trust 5s 1931		395
General Sinking Fund 6s 1930		383
New Orleans & Mobile Div. First 6s 1930		388
New Orleans & Mobile Div. Second 6s 1930		389
Paducah & Memphis Div. First 4s 1946		392
Pensacola Div. First 6s 1920		389
St. Louis Property First 5s 1916		403
Southeast & St. Louis Div. First 6s 1921		394
Southeast & St. Louis Div. Second 3s 1980		394
Unified 4s 1940		382
Louisville & Nashville—Southern Ry.		
Joint Monon First Collateral Trust 4s 1952	L. & N.	402
Louisville & Nashville Terminal Co.		
First 4s 1952	L. & N.	399
Louisville, Cincinnati & Lexington Ry.		
General 4½s 1931	L. & N.	386
Louisville, Henderson & St. Louis Ry.		
First 5s 1946	L. & N.	403
Louisville, New Orleans & Texas Ry.		
Collateral Trust 4s 1953	Ill. Cent.	317
Mahoning Coal R. R.		
First 5s 1934	L. S. & M. S.	350
Maine Central R. R.		
Collateral Trust Sinking Fund 5s 1923		424
Consolidated Refunding 5s 1961		434
Sinking Fund Improvement Series "A" 4½s 1916		433
Sinking Fund Improvement Series "B" 4½s 1917		433

	System	Page
Maine Central R. R.— <i>continued</i>		
4% Notes 1913		438
4% Notes 1914		438
Maine Shore Line R. R.		
First 6s 1923	Me. Cent.	422
Manchester & Lawrence R. R.		
Plain 4s 1922	B. & M.	114
Manitowoc, Green Bay & Northwestern Ry.		
First 3½s 1941	C. & N. W.	163
Maryland, Delaware & Virginia Ry.		
First 5s 1955	Penna.	631
McKeesport & Belle Vernon R. R.		
First 6s 1918	L. S. & M. S.	361
Meriden Horse R. R.		
Consolidated 5s 1924	N. Y., N. H. & H.	537
Meriden, Southington & Compounce Tramway Co.		
First 5s 1928	N. Y., N. H. & H.	543
Michigan Air Line R. R.		
First 4s 1940	Mich. Cent.	454
Michigan Central R. R.		
First 3½s 1952		452
Debenture 4s 1929		456
Middletown Horse R. R.		
First 5s 1914	N. Y., N. H. & H.	539
Milwaukee & Northern R. R.		
First 4½s 1913	C. M. & St. P.	221
Consolidated 6s 1913	"	232
Milwaukee & State Line Ry.		
First 3½s 1941	C. & N. W.	163
Milwaukee, Lake Shore & Western Ry.		
Ashland Div. 6s 1925	C. & N. W.	172
Consolidated 6s 1921	"	170
Extension & Improvement Sinking Fund 5s 1929	"	172
Michigan Div. 6s 1924	"	171
Marshfield Ext. First 5s 1922	"	174
Milwaukee, Sparta & Northwestern Ry.		
First 4s 1947	C. & N. W.	175
Minneapolis & St. Louis R. R.		
First Guaranteed 7s 1927	Rock Island	671
Minneapolis Union Ry.		
First 5s and 6s 1922	Gt. Nor.	298
Minnesota & Iowa Ry.		
First 3½s 1924	C. & N. W.	168
Minnesota & South Dakota Ry.		
First 3½s 1935	C. & N. W.	168

	System	Page
Mobile & Montgomery Ry.		
First 4½s 1945	L. & N.	390
Mohawk & Malone Ry.		
First 4s 1991	N. Y. C.	489
Consolidated 3½s 2002	"	490
Monongahela River R. R.		
First 5s 1919	B. & O.	60
Montana Central Ry.		
First 5s and 6s 1937	Gt. Nor.	296
Montville Street Ry.		
First 5s 1920	N. Y., N. H. & H.	538
Morris & Essex R. R.		
First 7s 1914	D. L. & W.	272
First Consolidated 7s 1915	"	273
First Refunding 3½s 2000	"	274
Narragansett Pier R. R.		
First 4s 1916	N. Y., N. H. & H.	561
Nashville, Chattanooga & St. Louis Ry.		
First 7s 1913	L. & N.	404
First Consolidated 5s 1928	"	408
Centerville Branch First 6s 1923	"	408
Payette & McMinnville Branches First 6s 1917	"	406
Jasper Branch Ext. First 6s 1923	"	407
Lebanon Branch First 6s 1917	"	406
Tracy City Branch First 6s 1913-1917	"	405
Nashville, Florence & Sheffield Ry.		
First 5s 1937	L. & N.	391
Naugatuck R. R.		
First 4s 1954	N. Y., N. H. & H.	533
Debenture 3½s 1930	"	528
New England R. R.		
Consolidated 4s and 5s 1945	N. Y., N. H. & H.	545
New Haven & Centerville Street Ry.		
First 5s 1933	N. Y., N. H. & H.	536
New Haven & Derby R. R.		
Consolidated 5s 1918	N. Y., N. H. & H.	532
New Haven & Northampton Co.		
Refunding Consolidated 4s 1956	N. Y., N. H. & H.	546
New Haven Street Ry.		
First 5s 1913	N. Y., N. H. & H.	535
Consolidated 5s 1914	"	536
New Jersey Junction R. R.		
First 4s 1986	N. Y. C.	493

	System	Page
New London Street Ry.		
First 5s 1923	N. Y., N. H. & H.	539
Newport & Cincinnati Bridge Co.		
General 4½s 1945	L. & N.	385
Newport & Richford R. R.		
First 5s 1941	B. & M.	105
New York & Harlem R. R.		
First 3½s 2000	N. Y. C.	490
New York & Long Branch R. R.		
First 4s and 5s 1941	C. R. R. of N. J.	142
New York & Northern Ry.		
First 5s 1927	N. Y. C.	491
New York & Putnam R. R.		
First Consolidated 4s 1993	N. Y. C.	492
New York Central & Hudson River R. R.		
First 3½s 1997		478
Lake Shore Collateral Trust 3½s 1998		479
Michigan Central Collateral Trust 3½s 1998		480
Debenture 4s 1934		481
Debenture 4s 1942		506
4½% Notes 1914		482
4½% Notes 1915		483
New York Central Lines		
Equipment Trust (1907) 5s 1913-1922	N. Y. C.	506
Equipment Trust (1910) 4½s 1913-1925	"	507
Equipment Trust (1912) 4½s 1913-1927	"	507
Equipment Trust (1913) 4½s 1914-1928	"	508
New York, Chicago & St. Louis R. R.		
First Sinking Fund 4s 1937	L. S. & M. S.	356
Debenture 4s 1931	"	357
New York, Lackawanna & Western Ry.		
First 6s 1921	D. L. & W.	275
Construction 5s 1923	"	276
Terminal & Improvement 4s 1923	"	277
New York, New Haven & Hartford R. R.		
Harlem River & Port Chester First 4s 1954		528
Convertible Debenture 6s 1948		547
Convertible Debenture Certificates 3½s 1956		548
Non-convertible Debenture 4s 1914		548
Non-convertible Debenture 4s and 3½s 1947		549
Non-convertible Debenture 3½s 1954		549
Non-convertible Debenture 4s 1955		549
Non-convertible Debenture 4s 1956		550
5% Notes 1913		550
European Loan 4s 1922		551

	System	Page
New York, Philadelphia & Norfolk R. R.		
First 4s 1939	Penna.	632
4% Stock Trust Certificates 1948	"	610
Income 4s 1939	"	633
New York, Providence & Boston R. R.		
General 4s 1942	N. Y., N. H. & H.	529
New York, Westchester & Boston Ry.		
First 4½s 1946	N. Y., N. H. & H.	558
Nodaway Valley Ry.		
First Sinking Fund 7s 1920	C., B. & Q.	197
Northern Central Ry.		
Consolidated General 4½s Series "E" 1925	Penna.	627
Second General 5s 1926	"	628
Northern Maine Seaport R. R.		
Railroad & Terminal First 5s 1935	Bangor & Ar.	80
Northern Ohio Ry.		
First 5s 1945	L. S. & M. S.	355
Northern Pacific—Great Northern		
C., B. & Q. Collateral Joint 4s 1921	Nor. Pac.	585
Northern Pacific Ry.		
Prior Lien 4s 1997		576
General Lien 3s 2047		577
St. Paul—Duluth Div. 4s 1996		579
Northern Wisconsin Ry.		
First 6s 1930	C., St. P., M. & O.	237
Northwestern Union Ry.		
First Sinking Fund 7s 1917	C. & N. W.	164
Norwich & Worcester R. R.		
Debenture 4s 1927	N. Y., N. H. & H.	555
Norwich Street Ry.		
First 5s 1923	N. Y., N. H. & H.	538
Norwood & Montreal R. R.		
First 5s 1916	N. Y. C.	496
Ohio & Little Kanawha R. R.		
First 5s 1950	B. & O.	65
Ohio River R. R.		
First 5s 1936	B. & O.	58
General 5s 1937	"	59
Old Colony R. R.		
Plain 4s 1938	N. Y., N. H. & H.	552
Plain 4s 1924	"	553
Plain 4s 1925	"	553
Plain 3½s 1932	"	553

	System	Page
Oswego & Rome R. R.		
First 7s 1915	N. Y. C.	499
Second 5s 1915	“	500
Oswego & Syracuse R. R.		
Construction 5s 1923	D. L. & W.	277
Oswego Railroad Bridge Co.		
First 6s 1915	N. Y. C.	496
Pawtuxet Valley R. R.		
First 4s 1925	N. Y., N. H. & H.	544
Pennsylvania & Northwestern R. R.		
General 5s 1930	Penna.	614
Pennsylvania Co.		
First 4½s 1921	Penna.	636
Series “A” Trust Certificates 3½s 1937	“	637
Series “B” Trust Certificates 3½s 1941	“	638
Series “C” Trust Certificates 3½s 1942	“	638
Series “D” Trust Certificates 3½s 1944	“	639
Series “E” Trust Certificates 4s 1952	“	640
Collateral 3½s 1916	“	640
Collateral 4s 1931	“	641
French Franc Certificates 3¾s 1921	“	642
Pennsylvania R. R.		
Consolidated 5s 1919		600
Consolidated 4s 1943		600
Consolidated 3½s 1945		600
Consolidated 4s 1948		600
Collateral Trust Sinking Fund 4½s 1913		611
Convertible 3½s 1915		611
Real Estate Purchase Money 4s 1923		612
Penobscot Shore Line R. R.		
First 4s 1920	Me. Cent.	422
Pensacola & Atlantic R. R.		
First 6s 1921	L. & N.	393
Peoria & Northwestern Ry.		
First 3½s 1926	C. & N. W.	167
Peterborough & Hillsborough R. R.		
First 4½s 1917	B. & M.	106
Philadelphia & Erie R. R.		
General 4s, 5s and 6s 1920	Penna.	607
Philadelphia, Germantown & Chestnut Hill R. R.		
First 4½s 1913	Penna.	620
Philadelphia, Wilmington & Baltimore R. R.		
Stock Trust Certificates 4s 1921	Penna.	609

	System	Page
Pine Creek Ry.		
First 6s 1932	N. Y. C.	487
Pittsburgh & Connellsville R. R.		
First 4s 1946	B. & O.	51
Pittsburgh & Lake Erie R. R.		
First 6s 1928	L. S. & M. S.	358
Second 5s 1928	"	358
Pittsburgh & Western Ry.		
First Consolidated 4s 1917	B. & O.	55
Pittsburgh, Cleveland & Toledo R. R.		
First 6s 1922	B. & O.	57
Pittsburgh Junction R. R.		
First 6s 1922	B. & O.	54
Second 5s 1922	"	55
Pittsburgh, McKeesport & Youghiogheny R. R.		
First 6s 1932	L. S. & M. S.	360
Second 6s 1934	"	360
Pittsburgh, Newcastle & Lake Erie R. R.		
First Extended 4s 1917	B. & O.	56
Pittsburgh, Virginia & Charleston Ry.		
First 4s 1943	Penna.	602
Pittsburgh, Youngstown & Ashtabula R. R.		
First Consolidated 5s 1927	Penna.	643
Pittsburgh, Youngstown & Ashtabula Ry.		
First Series "A" 4s 1948	Penna.	642
Portland & Ogdensburg Ry.		
First 4½s 1928	Me. Cent.	430
Portland & Rumford Falls Ry.		
Consolidated First 4s 1926	Me. Cent.	427
Debenture Sinking Fund 4s 1927	"	435
Collateral Trust 4s 1934	"	436
Portland Street Ry.		
First 5s 1916	N. Y., N. H. & H.	540
Portland Terminal Co.		
First 4s 1961	Me. Cent.	439
Portsmouth, Great Falls & Conway R. R.		
First 4½s 1937	B. & M.	100
Prescott & Eastern R. R.		
First 5s 1928	A. T. & S. F.	30
Princeton & Northwestern Ry.		
First 3½s 1926	C. & N. W.	166
Providence & Springfield R. R.		
First 5s 1922	N. Y., N. H. & H.	532
Providence & Worcester R. R.		
First 4s 1947	N. Y., N. H. & H.	554

	System	Page
Providence Securities Co. Debenture 4s 1957	N. Y., N. H. & H.	559
Providence Terminal Co. First 4s 1956	N. Y., N. H. & H.	534
Raquette Lake Ry. First 5s 1950	N. Y. C.	510
Ravenswood, Spencer & Glenville Ry. First 6s 1920	B. & O.	66
Rensselaer & Saratoga R. R. First 7s 1921	D. & H.	259
Republican Valley R. R. First Sinking Fund 6s 1919	C., B. & Q.	195
Rock Island & Peoria Ry. Consolidated First 6s 1925	Rock Island	670
Rock Island, Arkansas & Louisiana R. R. First 4½s 1934	Rock Island	676
Hot Springs Western 4s 1939	“	677
Rock Island Improvement Co. Equipment 4½s 1913-1915	Rock Island	682
Equipment 4½s Series “B” 1913-1915	“	683
Rome, Watertown & Ogdensburg R. R. First Consolidated 5s, 4s and 3½s 1922	N. Y. C.	494
Terminal R. R. First 5s 1918	“	498
Rumford Falls & Rangeley Lakes R. R. First Sinking Fund 5s 1937	Me. Cent.	436
St. Johnsbury & Lake Champlain R. R. First 5s 1944	B. & M.	115
St. Lawrence & Adirondack Ry. First 5s 1996	N. Y. C.	508
Second 6s 1996	“	509
St. Louis Southern R. R. First 4s 1931	Ill. Cent.	328
St. Paul & Duluth R. R. First 5s 1931	Nor. Pac.	580
Second 5s 1917	“	581
First Consolidated 4s 1968	“	581
St. Paul & Kansas City Short Line R. R. First 4½s 1941	Rock Island	679
St. Paul & Northern Pacific Ry. First 6s 1923	Nor. Pac.	577
St. Paul & Sioux City R. R. First 6s 1919	C., St. P., M. & O.	238

	System	Page
St. Paul, Minneapolis & Manitoba Ry.		
Consolidated Sinking Fund 6s, 4½s and 4s 1933	Gt. Nor.	292
Montana Ext. First 4s 1937	"	293
Pacific Ext. First 4s 1940	"	294
San Francisco & San Joaquin Valley Ry.		
First 5s 1940	A. T. & S. F.	24
Santa Fe, Prescott & Phoenix Ry.		
First 5s 1942	A. T. & S. F.	27
Saranac & Lake Placid R. R.		
First 5s 1913	D. & H.	258
Sault Ste. Marie & Southwestern Ry.		
First 5s 1915	C., St. P., M. & O.	235
Schenectady & Duaneburgh R. R.		
First 6s 1924	D. & H.	254
Schuylkill River East Side R. R.		
First 4s 1925	B. & O.	52
Sioux City & Pacific R. R.		
First 3½s 1936	C. & N. W.	161
Sodus Bay & Southern R. R.		
First 5s 1924	Penna.	630
Somerset Railway		
First 5s 1917	Me. Cent.	430
Consolidated 4s 1950	"	431
First & Refunding 4s 1955	"	431
South & North Alabama R. R.		
Consolidated 5s 1936	L. & N.	400
South West Pennsylvania Ry.		
First Sinking Fund 7s 1917	Penna.	608
Spokane Falls & Northern Ry.		
First 6s 1939	Gt. Nor.	299
Spuyten Duyvil & Port Morris R. R.		
First 3½s 1959	N. Y. C.	481
Stafford Springs Street Ry.		
First 5s 1956	N. Y., N. H. & H.	546
Sturgis, Goshen & St. Louis Ry.		
First 3s 1989	L. S. & M. S.	351
Sullivan County R. R.		
First 4s 1924	B. & M.	116
Sunbury & Lewiston Ry.		
First 4s 1936	Penna.	604
Sunbury, Hazelton & Wilkes-Barre Ry.		
First 5s 1928	Penna.	602
Second 6s 1938	"	603
Superior Short Line Ry.		
First 5s 1930	C., St. P., M. & O.	239

	System	Page
Syracuse, Phoenix & Oswego R. R.		
First 6s 1915	N. Y. C.	497
Tarkio Valley R. R.		
First Sinking Fund 7s 1920	C., B. & Q.	196
Taylor's Falls & Lake Superior R. R.		
First 6s 1914	Nor. Pac.	582
Toledo & Ohio Central Ry.		
First 5s 1935	L. S. & M. S.	363
Western Div. First 5s 1935	"	364
General 5s 1935	"	365
St. Mary's Div. First 4s 1951	"	366
St. Mary's Div. First Income 4s 1951	"	366
Equipment Trust Notes	"	367
Toledo, Canada Southern & Detroit Ry.		
First 4s 1956	Mich. Cent.	457
Toledo, Walhonding Valley & Ohio R. R.		
First 4½s Series "A" 1931	Penna.	645
First 4½s Series "B" 1933	"	645
First 4s Series "C" 1942	"	645
Toronto, Hamilton & Buffalo Ry.		
First 4s 1946	N. Y. C.	510
Second 4s 1946	"	511
Torrington & Winchester Street Ry.		
First 5s 1917	N. Y., N. H. & H.	543
Troy & Boston R. R.		
First 7s 1924	B. & M.	113
United New Jersey Railroad & Canal Co.		
General 4s 1923	Penna.	618
General 4s 1929	"	618
General 4s 1944	"	618
General 3½s 1951	"	618
General 4s 1948	"	619
Upper Coos R. R.		
First 4s 1930	Me. Cent.	425
Extension 4½s 1930	"	425
Utica & Black River R. R.		
First 4s 1922	N. Y. C.	500
Vermont & Massachusetts R. R.		
Plain 3½s 1923	B. & M.	114
Vermont Valley R. R.		
First 4½s 1940	B. & M.	116
Warren R. R.		
First Refunding 3½s 2000	D. L. & W.	278

	<u>System</u>	<u>Page</u>
Washington & Columbia River Ry.		
First 4s 1935	Nor. Pac.	584
Washington Central Ry.		
First 4s 1948	Nor. Pac.	584
Washington County Ry.		
First 3½s 1954	Me. Cent.	423
West Chester R. R.		
First 5s 1919	Penna.	605
West Jersey & Seashore R. R.		
First Consolidated Sinking Fund 3½s and 4s 1936	Penna.	626
West Shore R. R.		
First 4s 2361	N. Y. C.	494
West Virginia & Pittsburgh R. R.		
First 4s 1990	B. & O.	61
Western New York & Pennsylvania Ry.		
First 5s 1937	Penna.	624
General 4s 1943	"	624
Income 5s 1943	"	625
Western Pennsylvania R. R.		
Consolidated 4s 1928	Penna.	603
Western Railway of Alabama		
Consolidated First 4½s 1918	L. & N.	401
Wheeling Terminal Ry.		
First 4s 1940	Penna.	651
White & Black River Valley R. R.		
First 5s 1980	Rock Island	678
Willmar & Sioux Falls Ry.		
First 5s 1938	Gt. Nor.	297
Winona & St. Peter R. R.		
First Sinking Fund Ext. 7s 1916	C. & N. W.	174
Worcester & Connecticut Eastern Ry.		
First 4½s 1943	N. Y., N. H. & H.	535
Worcester, Nashua & Rochester R. R.		
First 4s 1935	B. & M.	101
First 4s 1930	"	101
First 4s 1913	"	101
First 4s 1934	"	101

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